







# WORLD TRADE NEWS

## W. German plant sales 'hit by Japanese'

FRANKFURT, June 1. GERMAN heavy plant producers will this year find it difficult to top the DM13.07bn. of new orders recorded in 1975, partly due to aggressive Japanese competition and price cutting, Herr Theodor Messing, Board spokesman for the producers' study group said.

The 38 member group, part of the West German Machinery Builders' Association, reported that first quarter 1976 incoming orders fell to DM2.92bn. Herr Messing said the Government should consider better long-term export financing arrangements and State guarantees to help German firms combat Japanese market penetration.

Three German companies say they have been awarded orders worth more than DM150m. to supply equipment for a DM300m. steel-rolling mill to be built south of Abwaz in Iran by the end of 1979.

Gutehoffnungshütte unit Schloemann-Siemens will supply a DMSm. cogging and slab mill in conjunction with the private company Kirchhoff of Düsseldorf. Siemens said it has a DM47m. order for electrical installations at the plant, and Fried. Krupp said its subsidiary Koppers-Wistra-Ostenbau has a DM32m. order to build and instal the heating furnaces.

Reuter

## Leyland wins first Arab orders after boycott clearance

BY TERRY DODSWORTH

THE SALES potential of British Leyland products in the Middle East was underlined yesterday when the special products group announced its first batch of orders from Arab States since the company was removed from the boycott list just six weeks ago.

Construction and road-making plants, building site equipment and refrigeration components figure prominently in the orders, which are worth £500,000 and come mainly from Saudi Arabia, Dubai and Qatar.

The inclusion of Saudi Arabia among the buyers is particularly significant since this country was exceptionally rigid in its application of the rules during the six years that Leyland was on the boycott list. At the same time the speed of response to British requests for the company's view that there are substantial opportunities opening up for it in the Middle East.

Even during the boycott it has been able to transact a considerable amount of business with Arab states anxious for specialised products like the Land Rover which could not be bought elsewhere and were regarded as "essential" equipment. BL now believes that it can build on this base with its other specialised

products and commercial vehicles. It has estimated that with the inclusion of Turkey and Iran, its sales in the Middle East could rise from £130m. last year to £200m. within the next 12 months.

The Leyland special products companies involved in yesterday's orders are Aveling-Barford (dump trucks, graders, tractor shovels and road rollers), worth more than £200,000, Goodwin-Barshby of Leicester (quarry equipment), Barfords of Belton (dumpers and concrete mixers valued at £100,000), and Prestcold of Reading (refrigeration compressors).

Buyers from many Arab states have been visiting these companies over the last few weeks and a trade show of construction equipment, fork lift trucks and trailers is being mounted in the U.K. next month for potential Middle East customers.

Leyland says that plans for a Middle East sales and service network are also well advanced. The special products group also announced yesterday that a £1.8m. order for Aveling-Barford road construction equipment is now being finalised with Nigeria, while contracts worth £1.5m. for the export of Coventry Climax fork lift trucks to Australia and South Africa have been signed.

## Big rise in Soviet oil exports to the West

By Our Own Correspondent

MOSCOW, June 1.

OFFICIAL statistics released at the week-end show the Soviet Union boosted its oil exports from 1974 to 1975 by more than 12 per cent, with more of the increase going West than East.

According to the foreign trade statistical handbook for last year, overall Soviet exports of oil and petroleum products in 1975 amounted to 130.55m. tons, compared to 118.15m. tons the previous year. That represented a jump of 14.18m. tons or 12.3 per cent.

Of the increase, 9.9m. tons went to customers in the Communist world, bringing their total of Soviet imports for the year to 53.37m. tons. It was an increase of 20.2 per cent. over 1974's total of 44.38m. tons. At the same time, the handbook showed Soviet exports to fellow members of Comecon went up only 7.5 per cent, from 66.69m. to 71.7m. tons.

Vietnam, North Korea and Yugoslavia, all of which are Communist but not Comecon members, received greater increases in Soviet oil. Their combined total went from 5.03m. tons in 1974 to 5.96m. tons last year, an 18 per cent jump.

The handbook showed U.K. imports from the Soviet Union rose from 918,000 tons in 1974 to 1.5m. tons last year. The biggest single customer on the Soviet books remains Czechoslovakia with a total last year of 18.97m. tons, while the biggest non-Communist importer is Finland with 8.77m. tons in 1975.

## Parolle wins £10.5m. Libyan contract

By Christopher Lorenz

REYROLLE PARSONS yesterday added a new contract to its already substantial list of exports to the developing world.

The group's project engineering company, Parolle, has won a £10.5m. order for a supply of substation equipment to Libya. About £8.5m. of it will go to Reyrolle, which will supply switchgear and protection equipment, and Parsons Peebles Distribution Transformers will deliver £200,000 worth of transformers.

The order was awarded by the Electricity Corporation of Benghazi, covering a complete new power network serving Benghazi, Tobruk and surrounding areas. The network will be three voltage levels, and will entail the building of 40 sub stations.

Parolle is currently engaged in contracts worth about £3m. for power station equipment and switchgear for Bahrain, Qatar and Ghana. Like the Libyan order, this export business is particularly valuable to Reyrolle in view of the dearth of power station orders from the home market.

## 'World Bank backing for Bombay High'

By K. K. Sharma

NEW DELHI, June 1. THE WORLD Bank has indicated that it will be willing to invest \$200m. to help India develop its first offshore oilfield, the Bombay High.

The bank's President, Robert McNamara, is understood to have offered to finance the foreign exchange cost of the piping and fractionalisation of the associated natural gas in Bombay High.

The field is thought to be the first oil project in which the World Bank has shown interest after the recent change of policy of not giving loans for oil exploration. Bombay High started commercial production last Friday and it will be developed to have a potential yield of 2m. tonnes by the end of this year and 10m. tonnes by 1980.

## Franklin stamp

The special stamp to mark the 200th anniversary of American independence — costing 11p and featuring statesman philosopher Benjamin Franklin — goes on sale today.

## Brazil faces \$4bn. energy bill

BY DAVID WHITE

RIO DE JANEIRO, June 1.

OPEC'S DECISION against increasing oil prices has brought only small comfort to Brazil, where fuel costs are already beginning to erode balance of payments expectations. The largest burden on the country's oil import bill is the domestic market, which is expected to increase this year from \$3bn. to \$4bn.

In the first four months of the year, Brazil spent \$1.3bn. on foreign oil, mostly from Saudi Arabia, compared with \$1bn. in the same period last year. Domestic production dropped nearly 2 per cent, to 20.6m. bbl. while petrol consumption has risen by about 10 per cent. The volume of imports went up 13 per cent to 104m. barrels.

The decline in production is due to the drying up of Brazil's oldest land wells in Bahia State. At the same time, development of new offshore fields, which are likely to bring significant relief by the end of the decade, is reported to have been held up as a result of curbs on

imported equipment. An exceptionally sharp increase in the use of diesel oil has given substance to rumours that the commercial fuel is being used by dealers to mix with petrol.

The oil figures substantially change the picture for the balance of payments this year. A trade deficit of 1bn. initially forecast for the year as a whole, has already been passed in January-April, according to preliminary statistics. With a built-in deficit of at least \$3.5bn. in the service account, Brazil appears unlikely to finish the year with less than a \$5bn. current account shortfall. The current account deficit was \$7.1bn. last year and \$8.7bn. in 1974.

The disappointing trade performance so far, showing exports of \$2.58bn. in the four months, 6 per cent below 1975 levels, is largely due to a bad sugar crop last year. Government officials expect an improvement during the remainder of the year, especially since compulsory

## Guyana plans power scheme

BY HUGH O'SHAUGHNESSY

GEORGETOWN, June 1.

THE GOVERNMENT of Guyana will next months unveil detailed plans for the construction of a \$500m. hydro-electric scheme on the upper Mazaruni River, although the World Bank has suggested a more modest scheme. The Government of Mr. Forbes Burnham has commissioned a feasibility study from the Swedish Sweco consultancy and is convinced of the economic sense of the plan. Guyana is therefore shortly to seek firm commitments from governments and suppliers willing to finance the project.

According to Mr. Patterson Thompson, chairman of the State-owned Guyana, or Guyana Bauxite Company, Guyana has received expressions of interest in the plan from a number of Communist and non-Communist governments and potential suppliers.

The Guyanese maintain that the cheap power from the Mazaruni, added to the high quality bauxite already being produced in Guyana, will enable aluminium to be produced at a price fully competitive with that of metal produced elsewhere in the region.

At a time when Guyana has incurred the disapproval of the U.S. because of its independent Third World and non-aligned stance, and its increasingly strong relationship with Cuba, the Guyanese authorities see the decision of Western governments about co-operation as a touchstone of their intentions towards Guyana.

Ideally the Guyanese would

like a financial package of commitments from a number of Communist and non-Communist governments. The Upper Mazaruni scheme would in its first stage provide 1,000 megawatts of power but, according to officials here, this capacity could subsequently be multiplied several times.

Describing the atmosphere as "friendly and business like" the Soviet news agency said the two sides discussed "specific measures aimed at development of relations between the two countries in the spirit of the times, above all the efforts of states and peoples for security and co-operation."

Issues were raised and the two sides discussed joint documents two days of talks in the Kremlin on Tuesday, Tass said. Describing the atmosphere as "friendly and business like" the Soviet news agency said the two sides discussed "specific measures aimed at development of relations between the two countries in the spirit of the times, above all the efforts of states and peoples for security and co-operation."

President Ferdinand E. Marcos of the Philippines ended two days of talks in the Kremlin on Tuesday, Tass said. Describing the atmosphere as "friendly and business like" the Soviet news agency said the two sides discussed "specific measures aimed at development of relations between the two countries in the spirit of the times, above all the efforts of states and peoples for security and co-operation."

Imelda, and a number of Cabinet Ministers on Monday on an eight-day visit during which he is expected to meet Leonid I. Brezhnev. Tass did not immediately specify who took part in the talks but said on Monday that President Nikolai V. Podgorny and Foreign Minister Andrei A. Gromyko were involved. UPI

## Italian promotion probed

BY A. H. HERMANN

THE EUROPEAN Commission has opened legal proceedings into certain State assistance allegedly granted by a Instituto per il Commercio con l'Estero (ICE), a body of the Italian Department of Trade, to help finance sales promotion for Italian textiles, shoes and clothing, Commission officials said yesterday, AP-DJ reports from Brussels. According to these officials, the ICE action is

in violation of the treaty on State aid, as likely to favour Italian exports at the expense of the industries of other member states. The Commission considers the granting of export aid in intra-Community relations to be incompatible with the general principles of the Common Market, particularly with the free movement of goods, officials explained.

However, the Competition Department retaliated by asking the Court to consider the criteria applied in West Germany when judging whether two brand names are or are not confusingly similar. The German representative protested most strongly against the introduction of this new legal issue during the oral hearings of the case. Although German criteria

## TRADE MARK LEGISLATION

## National laws 'have precedence' in EEC

BY A. H. HERMANN

PROTECTION which national laws give to trade mark owners against imports of goods bearing confusingly similar brands has precedence over EEC rules safeguarding free circulation of goods in the Common Market, according to M. H. Mayras, the European Court's First Advocate General.

M. Mayras, who was submitting his opinion to the court in the trade mark dispute Terrapin v. Terranova, also said that it is for the national courts to decide which brand names should be considered confusingly similar.

This brings to an end proceedings in a test case referred to Luxembourg by the West German Federal Supreme Court with the deliberate intent of forcing the European Court to remove the uncertainty over identical trade marks registered in different member countries,

created by the European Court's previous decisions in this field. The European Court's judgment in the present case can now be expected to follow soon and it is unlikely to differ substantially from the opinion of M. Mayras. It will mark an important stage in the development of European trade mark law, as the legal issues involved are still hotly disputed, not only between the EEC Commission and industry, fearing the gradual erosion of trade mark protection, but also within the Commission itself. These disagreements have delayed the publication of the Commission's memorandum on European trade mark policy, which should have been published about a fortnight ago.


The Internal Trade Department of the EEC Commission has always felt very angry about the way the Competition Department obtained a decision from the European Court (in the Café Hag case) eliminating protection against imports of goods provided with an identical trade mark of common origin in another member state. It succeeded in ensuring that the Commission's observations, submitted to the Court in Terrapin/Terranova, reaffirmed the priority of trade mark protection which the Competition Department sought to remove.

are more severe than those of other countries, and the need for harmonisation is generally accepted, most trade mark experts outside the EEC Competition Department feel, as M. Mayras now says, that this is not a matter for the European Court to decide.

A third issue, apparent in the Terrapin/Terranova case, is that of discrimination against foreign trade mark holders. M. Mayras reminded the Court that EEC would be incompatible with EEC rules for national rules on the similarity of trade marks to be applied more severely against owners of trade marks in other EEC countries than when considering a trade mark registration proposed by a West German firm.

*All of these securities having been sold, this announcement appears as a matter of record only.*

**\$50,000,000**



**BRAZIL**  
(Federative Republic of Brazil)


**10% External Bonds Due 1981**  
(Extendable at option of holder to May 15, 1986)

Interest payable May 15 and November 15

Merrill Lynch, Pierce, Fenner & Smith <i>Incorporated</i>	Deutsche Bank Aktiengesellschaft <i>Limited</i>
Banque Nationale de Paris	Union Bank of Switzerland (Securities) Limited
Banco do Brasil S.A. (London Branch)	

Algemene Bank Nederland N.V.	Amsterdam-Rotterdam Bank N.V.	Banca Commerciale Italiana
Banque Arabe et Internationale d'Investissement (B.A.I.I.)		Banque Bruxelles Lambert S.A.
Banque de Paris et des Pays-Bas	Commerzbank	Compagnie Luxembourgeoise de Banque S.A.
Crédit Lyonnais	Kleinwort, Benson	Kreditbank S.A. Luxembourgeoise
Kuwait Investment Company S.A.K.	Lazard Frères et Cie	Morgan Grenfell & Co.
J. Henry Schroder Wagg & Co.	Société Générale	Société Générale de Banque S.A.
Westdeutsche Landesbank	Alahli Bank of Kuwait (K.S.C.)	Arab Finance Corporation S.A.L.
Banque Internationale à Luxembourg S.A.		Berliner Handels- und Frankfurter Bank
Compagnia Finanziaria Interbancaria S.p.A.	County Bank	European Brazilian Bank Limited
Kuwait International Finance Co.	Kuwait Pacific Finance Company Ltd.	Sumitomo White Weld
The First Boston Corporation	Goldman, Sachs & Co.	Salomon Brothers
Bache Halsey Stuart Inc.	Blyth Eastman Dillon & Co.	Dillon, Read & Co. Inc.
Hornblower & Weeks-Hemphill, Noyes	E. F. Hutton & Company Inc.	Kidder, Peabody & Co.
Lazard Frères & Co.	Lehman Brothers	Loeb, Rhoades & Co.
Smith Barney, Harris Upham & Co.	Wertheim & Co., Inc.	Paine, Webber, Jackson & Curtis
Bear, Stearns & Co.	Daiwa Securities America Inc.	White, Weld & Co.
Nomura Securities International, Inc.	L. F. Rothschild & Co.	Dean Witter & Co.
Warburg Paribas Becker Inc.	Weeden & Co.	The Nikko Securities Co.
	Yamachi International (America), Inc.	Shearson Hayden Stone Inc.

# MOVING MONEY WORLD WIDE



We're mobilizing money — through multi-bank international loan syndications — for governments and industry around the world. In 1975 Wells Fargo managed or co-managed world-wide loan syndications totaling more than U.S. \$3 billion. Government agencies and companies seeking capital have found Wells Fargo Bank a valuable source not only of money but also of experience and skill.

## WELLS FARGO BANK

LONDON: Wells Fargo Limited, Winchester House, 80 London Wall, London E.C. 2. LUXEMBOURG BRANCH: 22, rue Ziche, Luxembourg.  
 FRANKFURT: Lindenstrasse 35, 6 Frankfurt am Main 1. MADRID: Miguel Angel, 1 DPBO. 3 DCHA, Madrid 10. PARIS: Credit Chimique, Credit Chimique Building, 20 rue Treillard, 75008 Paris.  
 Auckland, Bogota, Buenos Aires, Caracas, Dubai, Frankfurt, Hong Kong, London, Los Angeles, Luxembourg, Madrid, Managua, Manila, Manizales, Mexico City, Miami, New York, Ottawa, Panama City, Paris, Quito, San Francisco, San Salvador, Sao Paulo, Singapore, Sydney, Taipei, Tokyo.

# AMERICAN NEWS

## Big rise in Soviet oil exports to the West

By Our Own Correspondent

MOSCOW. Official statistics show the week-end surge in Soviet oil exports to the West from 1975 to 1976. The increase was 12 per cent, with an increase going West from 12.5 per cent to 14.5 per cent. According to the statistical handbook for the overall Soviet export of petroleum products, exports to the West rose from 116,180 tons in 1975 to 133,350 tons in 1976, a jump of 14.5 per cent. Of the increase, 8.5 per cent went to the United States, from 100,000 tons in 1975 to 108,000 tons in 1976. Exports to the rest of the West rose from 16,180 tons in 1975 to 25,350 tons in 1976, a jump of 56 per cent. At the same time, exports to the rest of the world fell from 1,180 tons in 1975 to 7,000 tons in 1976, a fall of 83 per cent. The handbook also shows that exports to the Soviet bloc rose from 1,180 tons in 1975 to 1,180 tons in 1976, a fall of 83 per cent. The handbook also shows that exports to the Soviet bloc rose from 1,180 tons in 1975 to 1,180 tons in 1976, a fall of 83 per cent.

## Parolee with £10.5m. Lib contract

By Christopher Lane

REYROLLE PARSONS, a leading American engineering and construction firm, has added a new subsidiary to its growing list of subsidiaries in the developing world. The group, known as the Parolee Group, is a 50-50 joint venture between Reynolds and Reynolds, a British firm, and Reynolds and Reynolds, a British firm. The group is to develop and operate a large power station in the West Indies. The station is to be built in the West Indies, and is to be built in the West Indies. The station is to be built in the West Indies, and is to be built in the West Indies.

## World Bank backing for Bombay

By K. K. Sharma

NEW DELHI. The World Bank has agreed to provide a loan of \$200m. to help India's first big power project in Bombay. The loan is to be used to finance the construction of a large power station in Bombay. The station is to be built in Bombay, and is to be built in Bombay. The station is to be built in Bombay, and is to be built in Bombay.

## Franklin's

The special stamp to mark the 100th anniversary of the birth of Benjamin Franklin is on sale today.

## in EEC

The special stamp to mark the 100th anniversary of the birth of Benjamin Franklin is on sale today.

## Channel 13 bids for funds by auction

By Our New York Staff

IF YOU LIVE in or around New York City and you happen to want to buy a pair of sunglasses, a pair of boxing gloves or a flawless diamond worth \$50,000, the chances are that you could be glued to your television for most of this week. New York's only public, non-commercial television station, Channel 13, is holding its annual auction-over-the-air to raise desperately-needed funds. Like public stations throughout the U.S., Channel 13 is finding that its normal donations and cash pledges are not keeping up with inflation. All the goods put up for bid — some \$2m. worth — are shown on the Monday night-day auction, and viewers have to telephone, their offers quickly to snap up a bargain. The goods are donated free to the TV station, and companies which donate get tax benefits and free publicity. Benefactors know that they are directly adding the one local station that at least tries to schedule programmes of some originality and quality. This year's auction, which imports like Monty Python, Uptown, Downstairs, and Masterpiece Theatre. In addition to the boxing gloves, items up for sale include Rumsfeld's old ballet slippers, a year's free parking in Manhattan, and a dinner with the staff members of "Mad" magazine. Channel 13 was new to the auction game in 1975 and was the last station in the country to take up the auction. In order to be successful, the current auction must meet its target of \$2m. Last year's take was \$1m.

## Simon sees improved economic outlook

U.S. Treasury Secretary William Simon has told foreign exchange dealers meeting in Washington that the U.S. economic outlook appears to have improved substantially, Reuters reports.

Mr. Simon, who is undertaking a revision of our economic forecasts, and when the analysis is complete, it will likely indicate that real output will be substantially higher than the 6 per cent originally projected, that the inflation rate for 1976 will be somewhat lower than the 8 per cent originally projected, and that the unemployment rate may be down to 7 per cent, or slightly below by year end, he said. Mr. Simon praised the western industrialized nations for working together "in a spirit of co-operation and mutual interest that has rarely, if ever, been equalled." In dealing with world economic problems in recent years, he said, the most important of which is inflation.

## Treasury debt ceiling

The U.S. Treasury said that it could live with a \$713bn. debt ceiling up to September 30 next year, an increase of \$86bn. over the present ceiling on Government borrowing, Reuters reports.

However, in testimony before the House Ways and Means Committee, Assistant Treasury Secretary Robert Gerard said that the peak need for Treasury borrowing on June 15, 1977, is estimated at \$160bn. The Treasury must win Congressional approval of a new debt ceiling, since the present temporary \$627bn. ceiling expires on July 1.

## Rubber strike talks

The United Rubber Workers (URW) and the big four rubber companies, resumed bargaining yesterday after almost two weeks in which both sides have had a chance to reassess their positions.

SPD reports from Cleveland, Ohio, that the strike began April 21. The talks have been deadlocked over major economic issues.

## Gold price rises \$14 ahead of IMF auction

By MICHAEL BLANDIN

THE gold price rose yesterday in a fairly active market ahead of today's auction of 150,000 ounces of the metal by the International Monetary Fund. By the close in London, gold stood at \$1277 an ounce, a rise of \$14 from Friday's level. Dealers reported that there had been some good buying interest during the afternoon, attributed partly to last-minute covering before the event. There were signs of growing confidence that the auction would go off well. Some dealers feel that if the sale is well-subscribed, the price could pick up further as a result of the removal of uncertainty about the outcome of the auction which has held the market back.

## New York agency to sue Moodys

By JAY PALMER

THE MUNICIPAL Assistance Corporation, which has been acting as New York City's fiscal agent, this morning confirmed that it intends to start legal proceedings sometime later this week against Moody's, one of the two most influential U.S. debt rating agencies. MAC, the state agency set up to raise public debt money for the city, said that it will charge Moody's with "negligence and misrepresentation" in its primary role as the state's fiscal agent. The downgrade, a move that will effectively prevent many institutions from buying Mac bonds, comes just as Mac is trying to swap \$500m. of interest-free New York City debt for 15 year 8 per cent Mac substitute bonds.

## Jagan calls for complete nationalisation in Guyana

By HUGH OSHAUGHNESSY

DR. CHEDDI JAGAN, the Mosley line Communist leader of the opposition People's Progressive Party (PPP), has called for the complete nationalisation of foreign banks, insurance companies and "other monopolies". In the wake of last week's nationalisation of the Guyanese Bank, Mr. Jagan's call for complete nationalisation in Guyana by the government of Mr. Forbes Burnham. Dr. Jagan has also demanded a "massive education campaign" at all levels for imbuing the people with revolutionary, scientific socialism (Marxism/Leninism) and the "consciousness" and "the closest relations" in all aspects with the world socialist community, headed by the Soviet Union.

## Sen. McGovern dismisses two 'Stop Carter' aides

By DAVID BELL

SEN. GEORGE MCGOVERN, warning of the dangers of splitting the Democratic Party as it was split when he won the nomination four years ago, today dismissed two senior aides for publicly taking part in a "Stop Carter" campaign. The Senator, who was the target of a prolonged attempt by established politicians to deny him the nomination despite the fact that like Carter he won a commanding lead in the primaries, urged the party in a statement to avoid a repeat of the "destructive, exhaustive effort that set the stage for the overwhelming Democratic defeat in 1972."

The Dakota Senator has endorsed Representative Morris Udall in the last four of this year's primaries but said that if Mr. Carter emerged as the nominee he would have his full support. He recalled that in 1972 a number of politicians, including Carter, had engaged in a "desperate effort to deny me the Presidential nomination even after all the primaries were over and I had secured 1,500 delegates."

## Jamaica runs out of currency reserves

By CANUTE JAMES

JAMAICA's not reserves are in the red for the first time in the island's financial history, standing at minus \$710.7m. (£87m.) at the end of last month. The negative position first became evident in March when the Bank of Jamaica released figures indicating that white reserves stood at \$132.5m. (£32.5m.). Liabilities totalled \$133.5m. (£33.5m.). The Bank of Jamaica had forecast that the island's economy could break even this year, but the Governor of the bank, Mr. G. Arthur Brown, said the forecast would have to be revised, and if the negative trend con-

## Jagan calls for complete nationalisation in Guyana

By HUGH OSHAUGHNESSY

DR. CHEDDI JAGAN, the Mosley line Communist leader of the opposition People's Progressive Party (PPP), has called for the complete nationalisation of foreign banks, insurance companies and "other monopolies". In the wake of last week's nationalisation of the Guyanese Bank, Mr. Jagan's call for complete nationalisation in Guyana by the government of Mr. Forbes Burnham. Dr. Jagan has also demanded a "massive education campaign" at all levels for imbuing the people with revolutionary, scientific socialism (Marxism/Leninism) and the "consciousness" and "the closest relations" in all aspects with the world socialist community, headed by the Soviet Union.

## Sen. McGovern dismisses two 'Stop Carter' aides

By DAVID BELL

SEN. GEORGE MCGOVERN, warning of the dangers of splitting the Democratic Party as it was split when he won the nomination four years ago, today dismissed two senior aides for publicly taking part in a "Stop Carter" campaign. The Senator, who was the target of a prolonged attempt by established politicians to deny him the nomination despite the fact that like Carter he won a commanding lead in the primaries, urged the party in a statement to avoid a repeat of the "destructive, exhaustive effort that set the stage for the overwhelming Democratic defeat in 1972."

The Dakota Senator has endorsed Representative Morris Udall in the last four of this year's primaries but said that if Mr. Carter emerged as the nominee he would have his full support. He recalled that in 1972 a number of politicians, including Carter, had engaged in a "desperate effort to deny me the Presidential nomination even after all the primaries were over and I had secured 1,500 delegates."

## Jamaica runs out of currency reserves

By CANUTE JAMES

JAMAICA's not reserves are in the red for the first time in the island's financial history, standing at minus \$710.7m. (£87m.) at the end of last month. The negative position first became evident in March when the Bank of Jamaica released figures indicating that white reserves stood at \$132.5m. (£32.5m.). Liabilities totalled \$133.5m. (£33.5m.). The Bank of Jamaica had forecast that the island's economy could break even this year, but the Governor of the bank, Mr. G. Arthur Brown, said the forecast would have to be revised, and if the negative trend con-

# If your company's big computer is so incredibly fast, why does it take so long to get the report you need?

The trouble with your company's computer is that it has a lot of people to take care of. So you can't drop by and pick up a report just because you happen to need it. You have to wait your turn. Even if it means your report won't arrive until after you've had to make a decision. Which is why you should get a computer of your own. A computer you can dedicate to your jobs and your jobs only. A computer that can communicate with all your big computer's resources and data. A Data General ECLIPSE C/300. The C/300 costs less than any big computer. And a lot less than any number of wrong decisions. And the C/300 has a highly flexible way to store and access data: A comprehensive data management system called INFOS. Plus an incredibly easy-to-use COBOL that's compatible with your computer. Because it's up to big computer COBOL standards. Other C/300 software is just as compatible. So you can use the same RPG II, FORTRAN and communications protocols on both computers. And you can pass data tapes between the two of them anytime you want. Without your data processing people having to learn new languages and procedures. And because the C/300 uses our Real-time Disc Operating System, it gives you up-to-date information anytime you want it, any way you want it. Write for more information. It'll probably arrive before your next computer report.

## Data General

INFOS is a trademark of Data General Corporation. ECLIPSE is a registered trademark of Data General Corporation.

Data General Limited, Westway House, 320 Ruislip Road East, Greenford, Middlesex, UB6 9BH. Tel: 01-578 9231

Offices also in Birmingham, Manchester and Glasgow.

## BANK HANDLOWY W WARSZAWIE S.A.

U.S. \$75,000,000  
Seven Year Loan

managed by

BANCO DE BILBAO

BANCO CENTRAL

BANCO ESPAÑOL DE CREDITO

BANCO EXTERIOR DE ESPAÑA

BANCO HISPANO AMERICANO

BANCO POPULAR ESPAÑOL

BANCO DE SANTANDER

BANCO URQUIJO

BANCO DE VIZCAYA

provided by

BANCO DE BILBAO

BANCO EXTERIOR DE ESPAÑA

BANCO DE SANTANDER

BANCO ATLANTICO

BANCO CENTRAL

BANCO HISPANO AMERICANO

BANCO URQUIJO

BANCO PASTOR (Paris Branch)

BANCO ESPAÑOL DE CREDITO

BANCO POPULAR ESPAÑOL

BANCO DE VIZCAYA

BANCO INTERNACIONAL DE COMERCIO

Agent

BANCO URQUIJO

## EUROPEAN NEWS

## Giscard faces a challenge on capital gains tax Bill

BY RUPERT CORNWELL

PARIS, June 1.

THE DEBATE which opened this afternoon on France's planned capital gains tax will be not only heated and confused, but represent perhaps the most dangerous Parliamentary challenge to President Giscard d'Estaing since he took office two years ago.

Since its publication on April 20, the draft Bill put forward by M. Jean-Pierre Fourcade, the Finance Minister, has been under non-stop criticism from all sides. The National Assembly debate is scheduled to end on Thursday evening, but the 600th amendment already taken to make it well nigh certain that this deadline will not be met.

On the passage of the Bill in a reasonably intact form stands to a great extent the credibility of the President as a reformer. Unlike the abortion and divorce laws he has pushed through, the capital gains tax for the first time strikes at entrenched privileged interest in French society, and will not be ensured of Left-wing support, tacit or otherwise.

To-day, its prospects look uncertain at best. M. Fourcade's plight is that his proposals please no one; for the Left they do not go far enough, while for the Right they go too far and have been branded as complicated, un-

fair and a betrayal of liberal economic principles. Modest when first presented, the tax would affect no more than 300,000 of France's 12m. income tax payers and has raised barely Fr.1bn. (£120m.) compared with total fiscal revenue of well over Fr.300bn.

However, discussions between the Minister and Parliamentary leaders have already produced an informal compromise package of concessions. The period of ownership required before exemption from the tax has been cut from 10 years to 5 years, and to 30 years for property, and to 30 years for development sites.

Changes have been admitted on the system covering sales of second homes, while the automatic allowance for potential payers has been lifted to Fr.20,000 from the originally intended Fr.10,000. To aid the stock market, M. Fourcade has agreed that profits on share dealings will be exempt, provided that proceeds of sales are re-invested in the Bourse, while foreign non-residents will now escape.

He has so far however refused to extend the tax to debentures and to take account of any capital losses, other than those incurred in Bourse transactions.

On the other hand the Government is ready to lower the flat levy planned on gold (including the Napoleonic coin), and other objects d'art to 2 per cent from the previous 4 per cent. Unfortunately these concessions are not enough for the Assembly's Finance Commission which has conducted its own examination of the Bill. The hostility largely reflects the views of diehard Gaullists, unimpressed by the recent Presidential threat to withhold his backing from those who reject the principle of this reform.

Some Gaullists moreover are forming an unholy alliance with the Socialists and demanding a flat wealth tax, which M. Mitterrand the Socialist leader has suggested should start on incomes of Fr.2m. and above. At the very least it will need clever footwork by the Government to save the day, and avoid the indignity of being forced to withdraw the Bill completely.

Whatever the outcome, the whole exercise has illustrated the outstanding financial conservatism of the French in the face of an attack which even in its initial form was milder than those existing for many years in almost every other industrial democracy.

## Return to deficit on W. German payments

By Adrian Dicks

BONN, June 1.

WEST GERMANY'S payments slipped into deficit last month to the tune of DM1.5bn. (£240m.) largely as the result of a reduced surplus on the service account, and of a partial outflow of the vast volume of short-term funds attracted into the D-mark during the March wave of currency speculation.

The April deficit compared with a DM1.8bn. surplus during March—itsself the result of the massive short-term inflow. Taking into account the smaller surpluses of January and February, the April figures leave West Germany with an overall surplus of DM3.2bn. for the first four months of the year.

The services account surplus shrank from DM2.5bn. to DM3.5bn. in April, and in the first four months as a whole stood at DM3.7bn. compared to DM6.2bn. a year earlier. One item, singled out by the Bundesbank in its commentary on the figures, was an increase in spending abroad by German tourists in April.

Long-term capital outflows remained high in April at DM1.1bn., though this was lower than the March figure of DM1.9bn., influenced by special factors. The main feature of the capital account last month, however, was the outflow of some DM1.1bn. of the more than DM7bn. which had flooded in during March. Banks also paid out DM1.4bn. in foreign currencies during the month.

As reported last week, there was in addition a drop in the surplus on the trade account during April from DM2.5bn. in March to DM2.2bn.

## Rise in steel output seen

By Guy Hawtin

FRANKFURT, June 1.

WEST GERMANY crude steel production is expected to rise by 15 per cent this year, according to one of the country's leading economic research institutes. The economic upturn is also likely to produce a sharp recovery in prices, it says.

The report comes from the Rheinisch-Westfälische Institut für Wirtschaftsforschung (RWI), based in Essen.

## Mitterrand supports East links

BY PAUL LENDVAI

VIENNA, June 1.

SOVIET BLOC efforts to promote co-operation between the national and international Socialists and Communist parties have been given a boost following last week's visit of the French opposition leader Mr. François Mitterrand to Hungary. For the first time since the Communist takeover in Eastern Europe, a major Socialist party of the West came out in favour of institutionalised co-operation with a ruling Communist party.

In a joint declaration, Mitterrand's French Socialist Party and the Hungarian Communist Party said that despite ideological-political differences views, contacts between Communists and Socialists both at the national and international level serve the common fight against capitalism and for democracy, independence and peace, and strengthen the cohesion and solidarity of the working class all over the world.

An influential member of the Hungarian delegation and leader of the international department of the Hungarian central committee, Mr. Janos Berecz, made clear in a recent article about European social democracy that "a generalised and broadly based constructive co-operation of communists and social democrats could significantly change the West European political situation" in favour of what he called "peace, democracy and social progress."

He stressed that socialists are the prime ministers in eight European countries and participate in the government of seven others. The Austrian socialist leader, Chancellor Bruno Kreisky, daily condemned contacts between socialists and ruling communist parties, stressing that he was only in favour of contacts between States. In a recent interview he described co-operation between an opposition socialist party in the West with a Communist party in the Soviet bloc as "very dangerous and wrong."

## Crisis looms on language

BY DAVID CURRY

BRUSSELS, June 1.

THE CONFLICT which has raged for more than a year over the refusal of the Mayor of the North Brussels commune of Schaerbeek to abandon separate inquiry desks in the Town Hall for French-speakers and Dutch-speakers is coming to a head.

This morning, the Government's special commissioner charged with implementing the bilingual system required by law arrived at the Town Hall to make his preliminary investigation. Meanwhile, French-speakers at the National Savings Fund and at part of the Social Security Ministry are on strike protesting at the linguistic imbalance in their offices in favour of Dutch-speakers. The Mayor of Schaerbeek, M. Roger Nols, says he will not implement the law in his commune until the Government adjusts the linguistic balance in its ministries.

Similar trouble is threatened at other institutions, including the state telephone utilities. A week ago a group of militant Flemish nationalist MPs invaded and wrecked the Minister of the Interior's office in protest at official handling of the Schaerbeek affair.

Meanwhile, the French language party, the Rassemblement Wallon, has threatened to quit the Government, whose majority it controls, if it does not adjust the staffing at the savings fund. The Linguistic Control Commission has already failed to produce the solution at the fund where the French-speakers are seeking 47.5 per cent of the jobs which, they say, represents the volume of French business transacted.

The Schaerbeek issue has already produced a series of violent protests over the past year and the Flemings are insisting that their patience is exhausted. However, the linking of Schaerbeek with the staffing situation in other institutions has made it difficult for the predominantly Flanders-based coalition Government to take decisive action without offending one and provoking both of the powerful linguistic interests in the country.



## This traditional hotel

famous Bahnhofstrasse is the ideal venue for the business man. You meet Zurich's City in the comfortable lounge or in the exclusive restaurant. Each guest room has its individual decor.

CARLTON ELITE HOTEL  
Bahnhofstrasse 41, 8001 Zurich  
Tel. 01/23 66 36

## Relocate with confidence in Cwmbran GARDEN CITY OF WALES

Cwmbran New Town has solved most of the problems encountered by industry during and after relocation. Little more than two hours from London by M4, ninety minutes from Birmingham by M6/M50, Cwmbran is one of Britain's most successful industrial developments.

Now the M4 is surging westward towards the new promise of Celtic Sea energy. In Cwmbran, Marks and Spencer, Sainsbury, Woolco and other large multiples have chosen to develop in our Town Centre; and this confidence is shared by industrialists who have seized the opportunity to expand in a beautiful area with easy reach of London and the Midlands, with the assistance of Government grants. Cwmbran Development Corporation has built and let more than a hundred factories and we are still building. Get the facts. Leasehold sites are still available. Substantial rent concessions may apply. The key men who come with you can be housed immediately. Please use the coupon or write or telephone for information.

Please post to R. P. Menday, M.B.E., M.C.,  
General Manager, Cwmbran Development Corporation,  
Cwmbran, Town Centre, Cwmbran, Gwent NP4 3SL.  
Tel: Cwmbran 0777.

Name

Position

Company

Address

FT29

## 50 Avenue Foch

Habiter Avenue Foch, à Paris? Autant habiter le bon côté. Côté droit, quand on descend. Côté soleil. Côté cinquante. Toutes les grandes avenues du monde ont un bon côté. Avenue Foch, depuis un siècle, les plus recherchés sont les numéros pairs.

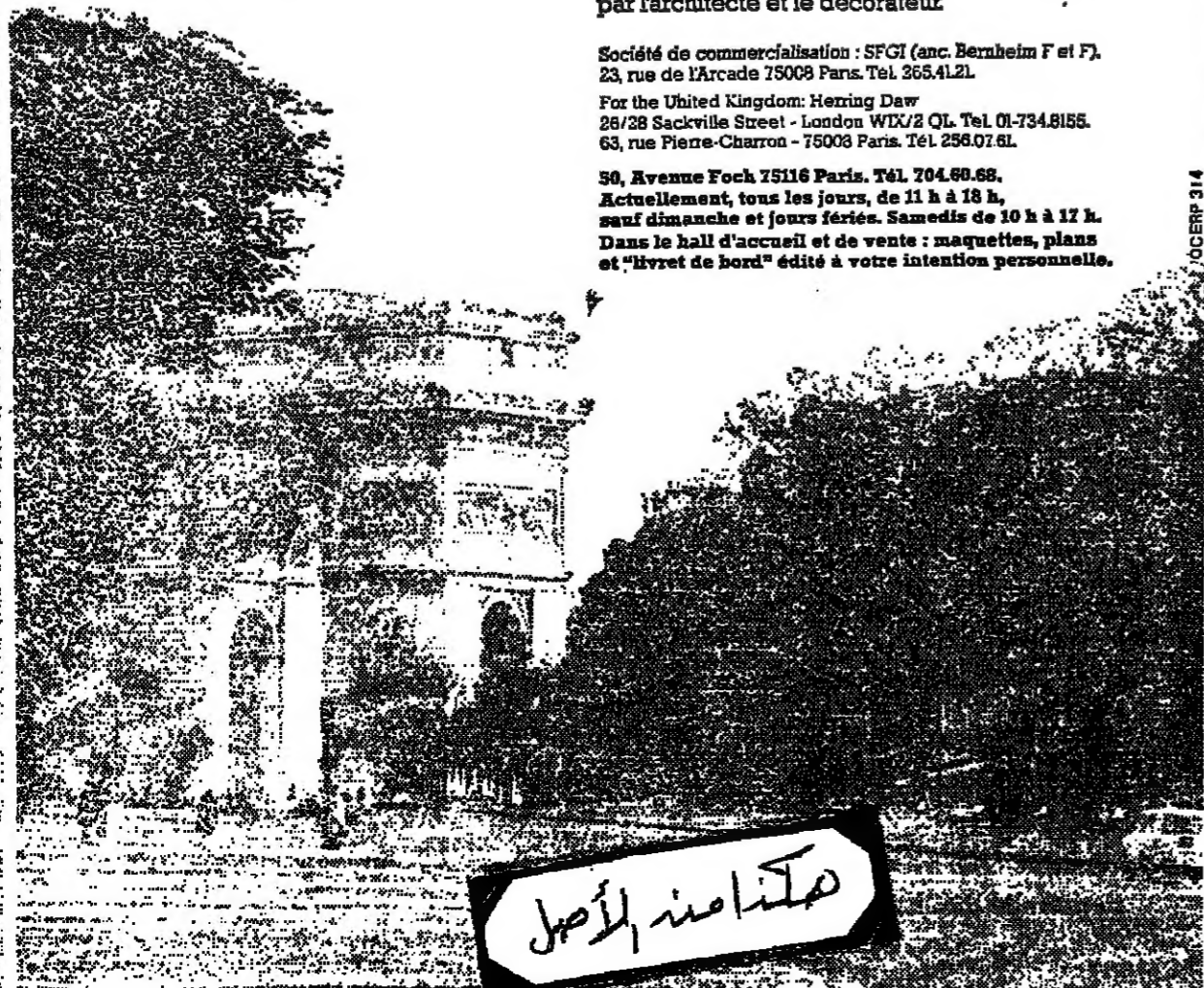
Le cinquante. Au numéro cinquante, s'édifie un ensemble nouveau et très fidèle à l'Avenue Foch. Avec des appartements de 3, 4, 5 pièces dans les superstructures. Et avec des hôtels particuliers de 4, 6, 8 pièces dans la partie basse où se mêlent patios, verdure, jardins suspendus : au total, 4000 m<sup>2</sup> de verdure sur les 5600.

Appartements et hôtels particuliers. L'architecte et le décorateur ont voulu un style "pierre et ton bronze" qui respecte la tradition de l'Avenue du Bois, mais qui n'a rien de rigide, grâce à une conception très libre des espaces. Les pièces sont conçues pour recevoir, mais dans un esprit d'intimité et de chaleur tout à fait dans le goût actuel.

Le calendrier des travaux. Il est conçu pour que, dès maintenant, vous puissiez vous décider sur les aménagements intérieurs que vous souhaitez - dans le cas où vous en souhaiteriez d'autres que ceux prévus par l'architecte et le décorateur.

Société de commercialisation : SFGI (anc. Bernheim F et F), 23, rue de l'Arcade 75008 Paris. Tel. 365.41.21.  
For the United Kingdom: Heming Daw, 26/28 Sackville Street - London W1X 2 QL. Tel. 01-734.8155.  
63, rue Pierre-Charon - 75008 Paris. Tel. 256.07.81.

50, Avenue Foch, 75116 Paris. Tel. 704.66.68.  
Actuellement, tous les jours, de 11 h à 18 h, sauf dimanche et jours fériés. Samedi de 10 h à 17 h.  
Dans le hall d'accueil et de vente : maquettes, plans et "livret de bord" édité à votre intention personnelle.



مكتبة الأمل

## Simpson

## See the light at Simpson.

Lightweight DAKS suit, lightweight luggage. For a long-distance jet or train journey, Simpson have everything you need to lighten the load this summer.

Suit in Terylene polyester/wool mixture. Grey/blue overcheck. £89.00.

Ultra-lightweight nylon three-suit pak. Black with red/beige, green stripe trim. £35.00.

Ladies' version also available. From our latest range of luggage by Lark of America.



Simpson (Piccadilly) Ltd., London, W1A 2AS. 01-734 2602  
Open until 7.00 p.m. Thursdays, 5.30 p.m. Saturdays.

EUROPEAN NEWS

مكتبة الجاهلي

Return to deficit on W. German payments

By Adrian Dicks

BONN, June 1. WEST GERMANY has slipped into deficit for the first time since 1964, as the balance of payments fell by 2.4 billion marks in the first four months of the year.

The April deficit was 1.1 billion marks, compared with a surplus of 1.3 billion marks in March. The annual deficit for the first four months was 4.2 billion marks, compared with a surplus of 1.3 billion marks in the first four months of 1977.

The services account, which had been in surplus for 11 months, fell into deficit in April, as the balance of trade fell by 1.1 billion marks.

The main reason for the deficit was a fall in exports of manufactured goods, which fell by 1.1 billion marks in April, compared with a surplus of 1.1 billion marks in March.

The report comes from the Federal Statistical Office (FSO), which also said that the balance of trade had fallen by 1.1 billion marks in April, compared with a surplus of 1.1 billion marks in March.

The FSO also said that the balance of trade had fallen by 1.1 billion marks in April, compared with a surplus of 1.1 billion marks in March.

Cortes committee amends Bill on political parties

By Roger Matthews

MADRID, June 1. AMENDMENTS to the Spanish Government's proposed law on political parties are expected to ease the passage of the Bill through the Cortes (Parliament) next week. Several changes to the Cabinet's draft have been made by the special Cortes committee on constitutional matters, headed by Senator Gregorio Lopez Bravo, a former Foreign Minister who is closely associated with the lay Catholic organisation Opus Dei.

Among the changes made by the Cortes committee are the removal of a paragraph making illegal those political groups favouring a totalitarian state and a Government reference to "the spirit of the Universal Declaration of Human Rights".

Right wing groups, noted for their total devotion to the principles of General Franco, had sharply objected to Government plans which would make a one-party state illegal. This, they argued, would be a total negation of the past 37 years.

Instead, the Cortes committee has left outside the law those political groups dedicated to violent subversion, the destruction of present legal, social or economic order, plus any organisation that implied an attack on national sovereignty, unity, Catalan integrity or security. The wide (PSCC) held a rally for over 500 members in Barcelona at the weekend, siding with the Government for official inter-

pretation and will obviously still exclude the Communist Party. It has also been learned that the draft law allows political associations formed during the lifetime of General Franco to operate immediately as political parties without the necessity of bringing forward the 25,000 signatures which are being required of other groups. This, together with the provision that no organisation shall receive funds from abroad, gives an immediate and substantial advantage to those political associations already enjoying legality.

Sources at the Cortes estimated today that the new law on political parties and the relevant changes to the penal code will be approved without undue difficulty, despite the fact that there are four separate projects to send the entire package back to the Government for reconsideration.

The ambiguities of the Government's position have been highlighted in the past few days with the first-ever full scale meeting since the Civil War of the banned Communist Party in the north eastern region of Catalonia, and the official denial of a similar meeting planned by the Socialist Party in Gijon. The Party held a rally for over 500 members in Barcelona at the weekend, siding with the Government for official inter-

The GDR is increasing pay and pensions

By Leslie Collier

E. BERLIN, June 1. EAST GERMANY has increased its population of improvements in wages, pensions and working hours, to be made possible by higher labour productivity and efficiency.

Current monthly minimum wages of marks 550 (17% at the official exchange rate) are to be raised to marks 600, and workers earning between marks 400 and 500 will get an added mark 15 to 40, a million.

East German employees, out of a workforce of 8m, fall into this category. In addition, 1.5m workers are to be given wage rises linked with the "necessary production" prerequisites, which is taken to mean higher output per man-hour.

The new wage and productivity levels are to go into effect on October 1.

Pension improvements will mean that a retired East German with 30 to 34 working years behind him, who currently gets marks 220 a month, will be getting 270, starting in December. Law pensions have been a source of some hardship for the retired 20 per cent of the East German population.

With effect from May next year, 1.2m East Germans are to have their work week reduced from 42 hours to 40 hours, if they are on two shifts, and from 42 to 38 hours if they work three shifts. Working mothers with two or more children will also get the 40-hour week.

The social improvements are expected to remain in force until the end of the current Five Year Plan in 1980. The Government announcement assures East Germans that consumer prices, rents and transport fares will remain stable, that is, virtually at the 1957 level.

However, this also could mean that prices for anything beyond basic foodstuffs, household items and services are likely to remain frozen.

ITALY'S ECONOMIC PROBLEMS

The Bank Manager's warning to Italy

By Anthony Robinson in Rome

ONLY THREE weeks from the Italian general election, the Governor of the Bank of Italy, Silvio Berlusconi, has produced an analysis of the Italian political and economic crisis, the underlying message of which is that Italy is on the brink of an Argentine-type inflation-deflation spiral unless the discipline is found to control both public expenditure and money supply in the near future.

He argues that it is possible to free the economy from the restrictions which have placed Italy in a "state of emergency".

The Governor of the Bank of Italy, who has been in office since the end of 1976, has been a vocal critic of the Government's economic policy. He has argued that the Government's policy of high public expenditure and high money supply has led to a state of emergency.

He has also argued that the Government's policy of high public expenditure and high money supply has led to a state of emergency.

He has also argued that the Government's policy of high public expenditure and high money supply has led to a state of emergency.

SALT problems unresolved

GENEVA, June 1. UNITED STATES and Soviet nuclear arms negotiators resumed talks here tomorrow after a four-week recess, with no outward sign of progress towards bridging differences holding up a new strategic arms limitation (SALT) agreement.

Public statements during the recess by high U.S. administration officials indicated that the two sides remained unresolved, and U.S. Ambassador-at-large Alexander Haig will arrive tomorrow morning from Washington. Both men were having consultations in their respective capitals, officials said.

The two delegation heads are expected to have a private meeting tomorrow afternoon before the teams of diplomats, military and scientific experts open a round of discussions. The negotiators in Geneva aimed at completing a new treaty limiting their countries' nuclear arsenals.

The talks have been slowed down by differences on whether Soviet long-range ballistic missiles should be counted as strategic weapons, and on how signatories would be fitted with multiple warheads (MIRVs).

When negotiations on the new pact began in Geneva in January last year, Washington officials were hopeful it would soon be ready for signature. But recent pronouncements have been less optimistic.

The U.S. Defence Department has said that the Soviet Union committed a technical violation of the existing interim SALT Agreement which was concluded in 1972.

The Russians admitted the breach—failing to dismantle within a stipulated time-limit missile launchers they were replacing by new submarine missile tubes—and had taken steps to rectify it, U.S. Defence Department officials said.

Artist charged in Leningrad

MOSCOW, June 1. A Leningrad "unofficial" artist appeared in court on Tuesday on charges connected with an outdoor exhibition which police banned last Sunday, his friends said.

They said that the artist, Yuri Zhuravskiy, was put on trial after standing almost all of Monday being interviewed by UPI.

Partners

An intensive election result, and another series of weak and unstable governments, could encourage precipitate Italy into a de facto social and political crisis against the background of an inflation-deflation spiral which could carry with it the progressive withdrawal of Italy from its Common Market partners and from its links with the world economy.

This could create the conditions for anarchy and, in the longer term, authoritarianism.

Tax evasion

Latest estimates for tax evasion by Sig. Ferdinando Venturi, Director-General of the Treasury, give an annual tax evasion of 1,000 billion, which should be the Exchequer but instead has to be made up by borrowing. Public spending is not only high, it is also inefficient in terms of goods and services produced. The bulk of spending is on salaries, pensions and other transfer payments and the other sector is vastly over-inflated.

Add in chaotic local finances, astronomical deficits of the municipal and regional authorities, and the nationalised electricity corporation, ENEL, and other public utilities—due to years of rigid price control—it can be seen that the State has created a maze of subsidies and favours amounting to featherbedding on a scale of 100 to 1.

This is the basic cause of the State sector deficit and the political responsibility for this lies in successive Christian Democrat-led coalition Governments, which have used State funds principally to sustain and enlarge their political patronage and sway over sections of the electorate. But the Communist opposition is equally guilty to a lesser extent of the same kind of populism, in that they have been in the forefront of demands for higher pensions and social payments of all kinds for years. This all eventually led to a massive deficit in the national savings (which have fallen from 22 per cent of GDP in 1960 to 12 per cent in 1975) and gone to finance the State deficit, increasingly starving the productive part of the economy of capital.

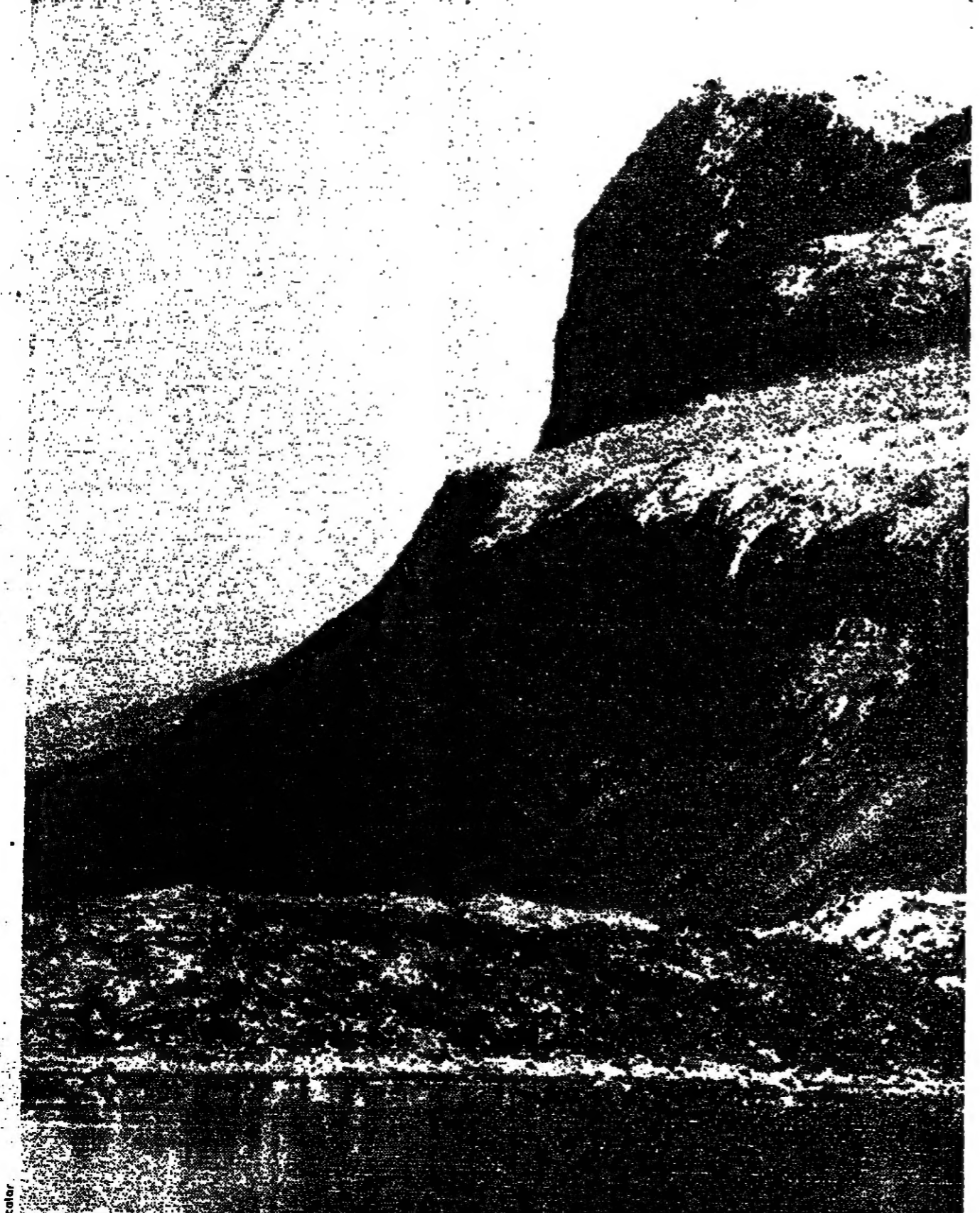
These, in the absence of Government measures to create an efficient capital market, have led to an ever-increasing dependence on high-cost bank finance and contributed to reducing profits, investment and employment.

But the inability of Government to spend more than a tiny fraction of their total income on investment in housing and public services of all kinds has also been a major factor behind organised labour's demand for higher wages and salaries. On the one hand, the public sector deficit has created an uncontrolled increase in liquidity, so fuelled inflation, on the other it has failed to supply essential services for the working part of the population. This has fuelled the social unrest which led to the post-1968 wages explosion and so contributed yet again to arresting the growth mechanism of the 1950's and early 1960's.

According to the Bank of Italy report, Italian industrial wage cost per unit produced rose 137 per cent between 1970 and 1975, compared with 107 per cent in the U.K., 48 per cent in West Germany and 38 per cent in the U.S. Here lies one of the basic causes behind the drop in Italy's international competitiveness and the devaluation of the lira.

These are the principal reasons why Italy has a no-growth, high inflation devaluation syndrome within a general context of deep social divisions.

WITH THE WORLD'S TELEPHONE MARKETS HARDLY TOUCHED YET, WE'RE GOING TO BE BUSY FOR A LONG TIME.



The telephone is one of the easiest things in the world to take for granted. In the industrialized world, that is. In the U.S. and Sweden, for example, there are more than 60 telephones per 100 population. In South America, however, the average is under 4 telephones per 100 population. In Africa, the average is less than two. In many developing countries, the figure is less than one telephone for every hundred people. It's not just the developing areas that lag behind, either. Even within industrialized Europe, with an overall average of around 18 telephones per 100 people, big differences in telephone densities exist between countries.

Yet today good telephone and telecommunications services are more vital than ever to growing economies. Together with increasing pressures for higher living standards and new opportunities created by advances in telecommunications technology, this demand for better communications for economic reasons seems likely to produce a boom of unprecedented proportions in the world's telephone markets.

Since we started in business in 1876, we've built a worldwide organization that is particularly well adapted to meet these telephone and telecommunications needs. Not only in Europe, but also in all developing areas of the world where growth is expected to be especially rapid in the years ahead.

We have a lot to contribute. We expect to be busy for a long time. At Ericsson, we've developed our business the hard way. No diversification. No conglomerates. Just sheer hard work specializing in what we've been doing now for over a hundred years... the telecommunications business.

Today we're one of the world's major telecommunications groups with more than 85,000 people worldwide, 70 factories in 15 countries, operations in more than 100 countries and annual sales of more than \$1.5 billion.

The way things are still developing in the telecommunications business, our next hundred years may be even busier and more successful than our first.

The Ericsson Group specializes in the design, manufacture and installation of telecommunications systems, including public and private telephone exchanges, telephones, transmission, cable and network products, intercom, radio and data communication systems components. For details, write or call The Ericsson Group, World Headquarters, S-126 25 Stockholm, Sweden or Thorn-Ericsson, Viking House, Harsham, Sussex, England.



The Ericsson Group. Partners in telecommunications progress worldwide.

## OVERSEAS NEWS

## New united front formed in Burma

KAW MU RA, BURMA, June 1.

THE KAREN—backbone of Burma's 26-year-old ethnic insurgency have announced a new nine-party, Federal National Democratic Front. The announcement was made at Karen National Union (KNU) regional headquarters in Eastern Burma along the Thai border in the first Press conference ever held by the KNU, in over two decades of armed struggle against the rulers in Rangoon.

This most recent united front has two features to distinguish it from the many others which have preceded it. It brings together for the first time the Karen National Union and Kachin Independence Organisation, the two militarily best equipped and organised ethnic forces, bringing together over 12,000 armed troops in the troubled Burmese union.

The new united front is directed as much against the Burmese Communist Party as against Rangoon. This united front foreshadows the same alignment which created the three way power struggle—the Rangoon Government, the Communist Party and the Karen-led up-country ethnic group—that emerged in the chaotic post independence years.

## ON OTHER PAGES

International Company News:  
Japanese shipping troubles  
Veba first quarter  
IRI appointments ..... 24  
Farming and Raw Materials:  
U.S. potato futures  
Australian wool 'floor price' ... 31

## Japan foreign holdings up 27%

BY PETER DUMINY

TOKYO, June 1.

JAPAN'S direct investments overseas grew another 27 per cent. to reach \$8.3bn. at the end of last year; 69 per cent. of this total represents assets acquired in the past three years, according to figures published by the Ministry of Finance. The annual external balance sheet, which shows actual capital trends (as distinct from investment plans on an approval basis) is also notable for further contraction of Japan's net asset position vis a vis the rest of the world. Taking into account all categories of capital—that is long-term and short-term, public and private—Japan first emerged

## Non-aligned countries in Colombo summit talks

BY EIRENE FURNESS

ALGIERS, June 1.

THE NON-ALIGNED countries and economic committee has been formed to report on progress after decisions taken at Algiers to put the final touches to the agenda they will present to the summit conference at Colombo in August. In his opening speech on Sunday, Algerian Foreign Minister Abdelaziz Bouteflika put the accent on maintaining unity within the non-aligned group. "We cannot disguise the fact that the great diversity of our needs and interests, natural in a group that covers three continents, makes our unity of action subject to fragility. The summit conference will have to map out the path we must follow. The time has come for major explanations if not major confrontations. Continuous enlargement of the group must not lead us to water down our principles." The meeting went into closed session this morning. A political

## India plans big outlay on oil exploration

By K. K. Sharma

NEW DELHI, June 1.

AN OUTLAY of Rs.2,570m. has been provided for oil exploration in India's annual plan for 1977 just published. But the Planning Commission has indicated that oil exploration has top priority and additional funds will be made available if required. The State-owned Oil and Natural Gas Commission plans to spend Rs.1,100m. on on-shore and on-shore exploration and another Rs.61m. on its overseas operations.

The plan envisaged establishment of two institutes—the Institute of Reservoir Studies located at Baroda in Gujarat State, and the Institute of Drilling Technology at Dehradun in Uttar Pradesh.

## Treaty decision

The Japanese Cabinet yesterday decided to ratify the nuclear non-proliferation treaty following Parliamentary approval last month. Ratification instruments are expected to be deposited next week with the original signatories the U.S., Britain and the Soviet Union, making Japan the 96th nation to ratify the treaty.

## East Timor link

Indonesia yesterday reacted with calm assurance to the East Timor popular assembly's decision to integrate with Indonesia, UPI reports from Jakarta. There was no official reaction, but the evening newspaper Sinar Harapan said the act had been committed before the eyes of the world, although not all foreign diplomats residing in Jakarta who were invited to witness the ceremonies were present.

## Syria steps up pressure

THE LEBANESE situation was the focus of activity in the Middle East yesterday, with Syria sending several hundred more troops into the country, in addition to the 2,000 (with 200 tanks) who entered on Monday night. Reliable estimates suggest that there are now at least 20,000 Syrian troops in Lebanon, occupying about a third of the country.

The implications of the Lebanese situation were thought to be at the top of the agenda for the visit to Syria of Soviet Premier Alexei Kosygin. It was believed in the Syrian capital, where he arrived yesterday, that Mr. Kosygin would try to reconcile the two rival Baathist regimes, Syria and Iraq, which have

been bitterly divided over the Lebanon question. The internal difficulties into which President Assad of Syria has run as a result of his intervention in Lebanon and the course that his policy may in future be expected to take, are discussed below by Richard Johns, Middle East Editor, who recently visited Damascus.

## Conciliation moves by Kosygin

BY LOUIS FARES

DAMASCUS, June 1.

MR. ALEXEI KOSYGIN arrived here to-day from Baghdad at the invitation of the Syrian Government for a four-day visit—the first to Syria by a member of the Soviet troika.

In well-informed circles here it is expected that the Soviet Premier's main concern will be settling the differences between the two States ruled by rival Baathist regimes.

According to a Government source here yesterday, a number of commercial and economic treaties will be concluded between the two countries. "As a result of the visit our position vis-a-vis the current issues in the Middle East and the world will be unambiguously strengthened," he added.

Questioned here about Libya's attempt at mediation between Iraq and Syria, Mr. Ahmad Iskandar, Syrian Minister of Information, said: "Syria is in favour of gathering all Arab potentials to face the Israeli aggression. The future will not forgive anyone who fails in his duties in this respect."

Comments between the two States has been resumed here recently, according to other official sources in Damascus.

They said, however, that more time would be needed before "talks" materialised. Damascus is said to have left the door open leaving it to the Iraqis to take the initiative of "deciding the limits to the co-operation they want to have with Syria."

On the Lebanon, Mr. Iskandar said that the Syrian position remained unchanged "while that of the others has gone by all roads and bridges." The Minister charged the parties to the second Sinal disengagement agreement—Egypt, Israel and the U.S.—of "implementing a plot and a slaughter against the people of Lebanon and the Palestinian revolution."

Mr. Iskandar said that Syria "will not spare an effort nor any sacrifice to prevent the partition of Lebanon."

He also attacked "those who claim being progressive and Left-wing." This was apparently a reference to Mr. Kamal Jumblatt and some of his allies.

Asked why Syria agreed last week to renew the mandate for the U.N. peacekeeping on the Golan Heights without any condition, Mr. Iskandar said: "We wanted to respond positively to a

request by the UN and Dr. Kurt Waldheim to give the world community a further delay for achieving progress in their efforts to establish peace in the area.

"Our understanding of past remains however unchanged: we want a total withdrawal by Israel from all the territories it has taken in the 1967 June aggression and the recognition by Israel of the legitimate rights of the people of Palestine," he added.

Asked about a new American peace initiative in the Middle East in light of Dr. Henry Kissinger's statement last week that the U.S. would launch some new peace initiative in the area—Mr. Iskandar replied ironically: "I read that in the papers."

Finally, Mr. Iskandar referred to rumours in some Press reports about so-called troubles in Syria: "This is all wishful thinking by our enemies who are exasperated by our firm position vis-a-vis the Arab cause." However, he admitted that various parties in and outside the Arab world have been exercising "pressures: economic and political" to make Syria "bend its national heroic attitude."

## SYRIA'S ROLE IN LEBANON

## Assad in difficulties

BY RICHARD JOHNS, RECENTLY IN DAMASCUS

PRESIDENT Assad has been in power longer and given Syria greater stability than any other leader since the first post-independence coup of 1949. But now, because of Syria's involvement in the Lebanon, he is in a more precarious position than at any other time since he emerged triumphant from the struggle with the ruling Arab Baath Socialist Party in November, 1970.

The mediation policy is under fire for a number of overlapping and related reasons. First, it has brought Syria into confrontation with the "progressive" forces in the Lebanon and also with the main body of the Palestinian guerrilla movement. Second, the mediation has so far not succeeded in achieving a settlement and is a burden on the country's increasingly strained finances. Third, the deep involvement is distracting attention from the more vital issue of recovering the Golan Heights. Fourth, the mediation has alienated the states of the radical Arab camp and has generally isolated Syria.

## Ideology

It is not surprising that radical elements should voice criticism of the very moderate kind of political compromise Syria has been pressing for. Based on the agreement with President Franjeh in February, it would continue the confessional system and apportion power between Christians and Muslims on a basis rather than on the traditional six-to-five ratio. President Assad would have argued that Syria has little choice but to work towards a moderate solution that avoided forcing the Christians into partition, installing in power an extreme Left-wing regime beyond the control of Damascus. The limited reform of the system fell far short of the Left's demand for a secular state and majority rule, and from the start it seemed something of an anomaly that such a solution should be sponsored by a Baathist state.

Baathist ideology is Marxist in all but name. The party is nominally committed not only to socialist revolution in Syria but also to spreading it to other Arab states. The Lebanon has been with Syria, the Lebanon has been term strategy and the Baath a particular object of the long-countries. With its historic links logically he the left-wing Party's "natural allies" would elements there rather than Mr. Elias Sarkis, the new President-elect sponsored by Damascus.

While there is growing frustration that the mediation effort has in no way been conclusive, the involvement is proving a financial burden at a time of economic deterioration. It may be running as high as \$5100m. (\$25m.) monthly, or at an annual rate of \$300m. Already this year the Government has lost over \$100m. as a result of Iraq's decisions not to pump oil through the pipeline system to the Mediterranean, depriving Syria of the valuable transit dues, and to stop providing oil at the concessionary \$3 per barrel rate after the end of last year.

Saudi Arabia is supplying oil for the Homs refinery (which is not designed for Syria's own heavy sulphurous crude) but at the full commercial rate. So far this year there has been no aid from the Arabian oil producers of the kind which in the two years from October 1973 put Syria in a very favourable economic position. Instructions are understood to have been sent to ministries which have cut the rate of spending more than 25

per cent. below the levels set in the 1975-76 Syrian budget. Because of the preoccupation with Lebanon Syria was unable to make any political capital out of the renewal of the mandate for the U.N. Disengagement Observer Force on the Golan Heights which, in the event, proved to be something of an embarrassing anticlimax.

Partly as a result of the Lebanese imbroglio Syria is now more isolated than for a long time in a badly divided Arab world precisely at a time when it needs support for its policy of mediation. At present President Assad is only close to King Hussein of Jordan with whom he has been collaborating closely, even to the point of planning a union between the two states, primarily to create a solid "Eastern Front" against Israel. However, the relationship is offensive to the Palestinians and the ideologues of the Baath Party.

Bogged down in Lebanon, President Assad recently became convinced of the necessity for a partial "Arabisation" of the Lebanese mediation, at least on a political level. That was why Damascus originally gave a positive response to the short-lived Saudi-Kuwait initiative aimed at bringing about an Egyptian-Syrian rapprochement. The ousting of the Baathist regime in Damascus should have led to an endorsement by the other three

Lebanese Communist Party. But well-informed observers within Damascus have no doubt that some arrests have been made over the past five or six weeks. Informal estimates last week put the number at anything from 40 to 300. The wide variation may be explained by the fact that the higher figure includes people taken into preventive detention or for "renewal of security clearance."

Most serious was the discovery of a pro-Israeli cell which was uncovered towards the end of April or early in May, according to normally reliable sources. For several years now the rival Baathist regime in Baghdad, President Assad's most bitter enemy, has been trying to buy support in Syria and is believed to have had a measure of success.

In addition, the security forces are said to have put behind bars supporters of Salah Jadid, the former Secretary-General of the Baath Party, who was ousted in the 1970 power struggle and is still in the extent of differences within the regime over the Lebanese involvement are difficult to appraise because of the ultra-secrecy of the Baath Party's pyramid structure composed of cells numbering no more than seven people. But the disclosures have been clear enough to any close observer of the Damascus scene. They emerged in April and came to a crisis point two weeks ago when both the Regional (or Syrian) and the National (pan-Arab) Commands of the Baath Party. After two weeks of intense debate the differences were patched up and a hard statement issued indicating that all would be well for the time being. Some Army officers have been more open in their criticism. On the one hand, the impatient feeling has been expressed that the Army should move in and disarm the combatants in Lebanon. On the other, there is the more widespread complaint that the nation's attention is being absorbed there when it should be directed to the liberation of occupied territory.

President Assad will now need all the strong, nerve-dugged determination and political acumen for which he is justly famed. To preserve his position he will probably have to shift from his middle-of-the-road course to a more radical stance in both his Lebanese and pan-Arab policies—with incalculable consequences—for the Middle East peace negotiating process.

Dialogue He is believed to have concluded that something more far-reaching than the reform programme agreed in February will probably be required for the Lebanon. When the regime the area two weeks ago, Mr. Assad's agreement with the Baathist regime in Baghdad, the Premier, is said to have obtained his agreement to opening by Syria of "dialogue" with the "progressive" forces, and also the "more round-table consultations" Mr. Sarkis of all the various parties.

Then late last week Syria it is known through the Beirut Press that it was participating with Iraq, Libya, Algeria, Jordan and the Palestinians in a plan for a "Rejection Front" opposed to "defeatist" actions to the Arab-Israeli conflict. While his moves in that direction may play to cover up embarrassment about the unconditional UNDOF renewal, they seem to amount to a significant shift.



President Assad

Arab powers of Syria's role. The prospect of financial aid was another factor in Syria's acceptance of the invitation to the premiers' meeting which was to have prepared for the summit.

Yet Mr. Mafumoud Ayoubi, the Syrian Premier, could not have attended the gathering without discussing the second Sinal disengagement agreement. After so much condemnation of Egypt's "treason," a failure to make any mention of the issue would have stretched the plausibility of the regime too far both at home and abroad. The hope was that without compromising on the principle, agreement on co-ordinating policy in the future might be reached. It was dashed by Egypt's insistence that there should be no discussion of the Sinal pact.

Recent reports of arrests in Syria may have been exaggerated and the crackdown on suspect or dissenting elements may be peripheral to the core of the political problem facing President Assad—more a nervous reaction to the tension within the regime itself and the armed forces where the crucial debate is taking place. In official quarters the tendency is to dismiss the reports as the mischievous fabrications of the scant shift.

New Issue June 2, 1976

## KOBE CITY

DM 100,000,000.-

7½ % Deutsche Mark-Bonds of 1976/1983

under the irrevocable and unconditional guarantee of Japan

Offering price: 98 ½ %  
Interest: 7½ % p.a., payable annually on June 1  
Maturity: June 1, 1983  
Listing: Frankfurt (Main), Berlin, Düsseldorf, Hamburg, München

## Deutsche Bank Aktiengesellschaft

Alahli Bank of Kuwait (K.S.C.)

Algemeine Bank Nederland N.V.

A. E. Ames &amp; Co. Limited

Amsterdam-Rotterdam Bank N.V.

Arab Financial Consultants Co.

Arnhold and S. Bleichroeder Inc.

Julius Baer International Limited

Banca Commerciale Italiana

Banca Nazionale del Lavoro

Bank für Gemeinwirtschaft Aktiengesellschaft

Bank Mees &amp; Hope N.V.

The Bank of Tokyo (Holland) N.V.

Banque Arabe et Internationale d'Investissement (S.A.I.I.)

Banque Bruxelles Lambert S.A.

Banque Française du Commerce Extérieur

Banque Générale du Luxembourg S.A.

Banque de l'Indochine et de Suez

Banque Internationale à Luxembourg S.A.

Banque Nationale de Paris

Banque de Neufville, Schlumberger, Mallet

Banque de Paris et des Pays-Bas

Banque Populaire Suisse S.A. Luxembourg

Banque Rothschild

Baring Brothers &amp; Co., Limited

H. Albert de Bary &amp; Co. N.V.

Bayerische Hypotheken- und Wechsel-Bank

Bayerische Landesbank Girozentrale

Bayerische Vereinsbank

Joh. Berenberg, Gossler &amp; Co.

Berliner Bank Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

Bankhaus Gebrüder Bethmann

Caisses des Dépôts et Consignations

Citicorp International Bank Limited

Commerzbank Aktiengesellschaft

Compagnia Finanziaria Interbancaria S.p.A.

Compagnie Financière de la Deutsche Bank AG

Creditanstalt - Bankverein

Crédit Commercial de France

Crédit Lyonnais

Crédit Suisse White Weld Limited

Daiwa Europe N.V.

Den Danske Provinsbank A/S

Deifrick &amp; Co.

Den norske Creditbank

DG Bank Deutsche Genossenschaftsbank

Deutsche Girozentrale - Deutsche Kommunalbank -

Dillon, Read Overseas Corporation

Dresdner Bank Aktiengesellschaft

European Banking Company Limited

First Boston (Europe) Limited

First Chicago Limited

Robert Fleming &amp; Co. Limited

Goldman Sachs International Corp.

Greenfields Incorporated

Groupement des Banquiers Privés Genevois S.A.

Hambros Bank Limited

Georg Hauck &amp; Sohn

Hessische Landesbank - Girozentrale -

Hill Samuel &amp; Co. Limited

E. F. Hutton &amp; Co. N.V.

Industriebank von Japan (Deutschland) Aktiengesellschaft

Kidder, Peabody International Limited

Kjøbenhavn Handelsbank

Kleinwort, Benson Limited

Kreditbank N.V.

Kreditbank S.A. Luxembourgise

Kühn, Loeb &amp; Co. Asia Limited

Kuwait International Investment Co.s.a.k.

Kuwait Investment Company (S.A.K.)

Lazard Brothers &amp; Co., Limited

Lazard Frères et Cie

McLeod, Young, Weir &amp; Company Limited

Manufacturers Hanover Limited

Merck, Finck &amp; Co.

Merrill Lynch International &amp; Co.

B. Metzler seel. Sohn &amp; Co.

Samuel Montagu &amp; Co. Limited

Morgan Grenfell &amp; Co. Limited

Morgan Stanley International

New Japan Securities Co., Ltd.

The Nikko Securities Co.(Europe) Ltd.

The Nippon Kangyo Kakumaru Securities Co., Ltd.

Nomura Europe N.V.

Sal. Oppenheim Jr. &amp; Cie.

Oriental Bank Limited

Pierson, Holding &amp; Pierson N.V.

Privatbanken A/S

Rothschild Bank AG

N. M. Rothschild &amp; Sons Limited

J. Henry Schroder Wagg &amp; Co. Limited

Schröder, Münchmeyer, Hengst &amp; Co. | 3

Simonbank Aktiengesellschaft

Skandinaviska Enskilda Banken

Smith Barney, Harris Upham &amp; Co. Incorporated

Société Générale

Société Générale de Banque S.A.

Svenska Handelsbanken

Swiss Bank Corporation (Overseas) Limited

Taiyo Kobe Finance Hong Kong Limited

Trinkaus &amp; Burkhardt

UBS-DB Corporation

Union Bank of Switzerland (Securities) Limited

United Bank of Kuwait

Vereins- und Westbank Aktiengesellschaft

M. M. Warburg-Brinckmann, Wirtz &amp; Co.

S. G. Warburg &amp; Co. Ltd.

Westdeutsche Landesbank Girozentrale

Westfälische Bank Aktiengesellschaft

Wood Gundy Limited

Yamaichi International (Europe) Ltd.

Jah 1976

He is believed to have concluded that something far-reaching than the programme agreed in Beirut will probably be required in the Lebanon. When he left the area two weeks ago, he was said to have addressed Jalloud, the Premier, his agreement with the Syrian Government in opening by Syria of a "progressive" consultation with the Arab League and the Arab world there and also the round table consultation of Mr. Sarkis of all the Lebanese parties.

It is known that the late last week Sarkis was in Beirut and press that it was part of a mission to the UNO Library, the Palestine Liberation Organisation, the "Rejectionist" Front and the "Defence" Front to the more "moderate" elements. While his mission may be a place of direction may be a place of embarrassment to the UNO, it is unconditional UNO support they seem to amount to a financial shift.

The world's fastest growing airline.

THE IRAN AIR ALLIANCE FLIES TO NEW YORK, LONDON, PARIS, FRANKFURT, VIENNA, GENEVA, ZURICH, ROME, MOSCOW, ATHENS, ISTANBUL, CAIRO, TEHRAN, ABADAN, BAGHDAD, KUWAIT, JEDDAH, SAHRAIN, ABU DHABI, DHAHRAN, DOHA, MUSCAT, KABUL, KARACHI, BOMBAY, PEKING, TOKYO. ALSO SALES OFFICES IN GLASGOW, MILAN, HAMBURG, LOS ANGELES AND HOUSTON.



**INDUSTRIAL EFFICIENCY CAN BE IMPROVED WITH CCTV**  
Discuss it with the country's leading independent consultants, suppliers and installers of closed circuit television systems.  
**Studio 22**  
22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

# MATERIALS

## Prevents unwanted reflections

FLARECHEQ is the name of a passive coating application technique for similar materials to lession of light from the transmittance is high of subjects including readouts, oscilloscope the like. The total resistance contrast and matt finish can go on any surface, it is simple to image enhancement in degree.

Suitable for interior exterior applications, it can be made more to suit the use. The surface is not be a flat surface—concave shapes on equipment, dials, crystal displays all are more visible in difficult conditions. Moreover, acrylic panels for electronic assemblies can be fully legible, black mounting holes, the switches, lamp, etc.

Further from Chesham, 10, Christian London, E.C.2, 01-72.

# COMPONENTS

## Butterfly valves

A RANGE of butterfly valves from 2 inches to 48 inches offered in lug, wafer, and flange types. The valves are made of cast iron, steel, or stainless steel. They are available in a wide range of materials and are suitable for a wide range of applications. They are available in a wide range of materials and are suitable for a wide range of applications.

Of American design, they have a soft seating for bonding a resilient or inside a rigid plane. The valve is formed by the flange of the seat. The slip-fitted into the valve enabling quick replacement when necessary without the use of special tools. The valve bodies and the seat are available in a wide range of materials to suit special applications.

In the closed position, the valve is held in place by a spring and a pin. The valve is held in place by a spring and a pin. The valve is held in place by a spring and a pin. The valve is held in place by a spring and a pin.

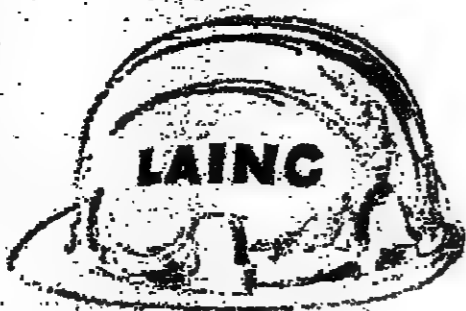
# SAFETY

## Short term gas leak services

HAZARD Control, a specialist in gas leak detection and repair, is offering a short term service for those who have a short term gas leak detection and repair service. The service is available for a short term gas leak detection and repair service. The service is available for a short term gas leak detection and repair service.

Control with Fluidity. The service is available for a short term gas leak detection and repair service. The service is available for a short term gas leak detection and repair service. The service is available for a short term gas leak detection and repair service.

ATIONS. The service is available for a short term gas leak detection and repair service. The service is available for a short term gas leak detection and repair service. The service is available for a short term gas leak detection and repair service.



# How just 24 people managed an £18½ million construction project.

"Because Hartcliffe was so complex, we handed over management responsibility for the construction work entirely to Laing. In just three years production was rolling"—John Wilson, Chairman and Managing Director, W.D. & H.O. Wills.

When W.D. & H.O. Wills came to Laing, we recommended a Management Contract. They accepted and we appointed 24 key Laing managers to take control of the total project.

In three years, that 24-person team, with some of Britain's best-known construction companies working to them, completed the £18½ million Hartcliffe factory near Bristol, the largest of its kind in Europe.

The efficiency of Laing Management Contracts solves many of the problems of coordination associated with major traditional contracts. Laing take on all the

responsibilities and relieve clients of time-consuming, day-to-day involvements.

The true value of a Laing Management Contract can never be priced in a tender; but its benefits in terms of expertise, back-up, quality of work, efficiency, person-to-person service, financial stability and straight-dealing are legion.

Laing offer Management Contracts on all types of projects, big and small, throughout the UK and, especially, overseas.

If you'd like to know more about us and what we could do for you, please write to Gordon Ratcliffe, John Laing & Son Limited, Mill Hill, London NW7 2ER. Or phone him on 01-906 5555. Telex 263271. He will be able to answer your questions and give you information on our international construction and engineering capabilities.

# LAINC

BUILDING TOMORROW, TODAY

## HOME NEWS

## NORTH SEA EXPLORATION LICENCES

## Offers soon for concessions beyond the 62nd parallel

BY RAY DAFTER, ENERGY CORRESPONDENT

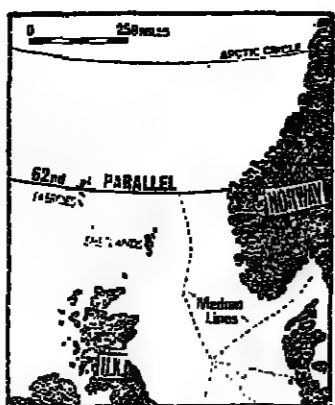
THE SEARCH for oil and gas in the most northerly waters of the North Sea, above the 62nd parallel, is to begin in 1978. The first licences will almost certainly be offered by the Norwegian Government some time next year. Contrary to earlier reports it seems that British companies and other international oil concerns will be invited to take part in the exploration.

There had been reports in the industry that no foreign involvement would be allowed and that the first round of licences would be confined to Norwegian interests. Statoil, the State-owned company, Norsk Hydro and Saga Petroleum.

## Interest

The northern extension of offshore operations will be of particular interest to the British Government and the U.K. oil industry. Future oil and gas supplies are expected to come from north of the 62nd parallel on the British side of the median line.

The British and Norwegian Governments are currently negotiating the exact path of the median line between the two countries, north of the



62nd parallel. The location is a vital issue, for there is believed to be a large oil or gas field lying along the probable median line.

If this structure proves to be commercial the Government and industry could be faced with a repeat of the situation further south where both the important Frigg and Statfjord fields straddle the median line.

On June 7 Norway will also begin a new round of negotiations with the Soviet Union on the demarcation line for the continental shelf in the Barents Sea.

The first round of licences in these northern waters is expected to be quite small. It will probably comprise concessions off central Norway and off the northern coast of the country.

Mr. Torvild Aakvaag, managing director of Norsk Hydro's oil division, said that an international oil presence would be needed to broaden the technical, managerial and financial scope of exploration. "These waters extend into the Arctic area where a new set of problems will arise." It is thought that no foreign oil company will be allowed to act as operator in the first round of licences north of the 62nd parallel, however.

Mr. Aakvaag and other representatives from the Norwegian Government and oil industry were speaking in London at a reception to launch the Offshore North Sea Technology Conference and Exhibition to be held in Stavanger in September. The problems involved in exploration and development in these northern waters will be featured at the conference.

It was also learned yesterday that talks are progressing on the possible establishment of

an international marine task force to safeguard offshore structures in the North Sea. A meeting is to be held today in Norway at which North Sea countries—among them the U.K., Norway, Netherlands, Denmark and Germany—will discuss security arrangements.

## Patrol

The meeting, which will be at civil service level, will look at the possibility of setting up an international coastguard service to patrol the North Sea. The possibility of countries providing their own naval support will also be raised.

Oil deliveries fell by 2.5 per cent. during the first three months of this year, according to Institute of Petroleum figures released yesterday. There was a decline of just under 630,000 tons compared with the first quarter of 1975.

Several products, however, saw an increase. Among these were jet fuel, burning oil (up 11.1 per cent.), diesel and gas. Petrol demand went up by 3.6 per cent., or 202,200 tons, but fuel oil deliveries continued their downward move with another decline of 1.4 m. tons (13.9 per cent.).

## Low number at Sound, Vision show Experimental plastics factory for hire to product-testers

By Our Midlands Correspondent

BY DAVID FISLOCK, SCIENCE EDITOR

ATTENDANCE AT the first public show in the National Exhibition Centre near Birmingham—Sound and Vision '76—was disappointing. As the show began packing up yesterday, possible implications of the low number of visitors were being studied by the Association of Exhibition Organisers, which originally opposed the NEC project, and by the sponsors, the British Radio Equipment Manufacturers' Association.

The show was the successor to the Radio Show last held 10 years ago at Olympia, but included the whole range of modern hi-fi, cassettes, colour TV and other equipment. It opened last Friday.

The organisers had expected 150,000 people to attend and had spent nearly £60,000 on publicising the three and a half day exhibition. But only 70,000 70p admission tickets were sold—a figure that excludes many of those arriving by rail and those having family tickets.

The interested parties want to know whether the shortfall was due to the weather, to counter-attraction—the Lord Mayor of Birmingham Show attracted 150,000, the holiday exodus helped to jam the nearby M5, special events in the park were well attended and Water '76 was being held nearby at the National Agricultural Centre—or to some other factor.

A £150,000 experimental plastics factory whose facilities can be hired by the industrial entrepreneur to explore a new product or manufacturing process is being commissioned near Shrewsbury this week.

The Rubber and Plastics Research Association (RAPRA), a contract research centre for polymer processing, has completed the 10,000 square feet factory with the help of a grant of £100,000 from the Department of Industry.

According to Dr. Malcolm Hall, in charge of the scheme, the factory is available to industry on a "turnkey" basis in which it would try to take a new venture all the way from the drawing board into production in order to demonstrate its commercial attractions.

Although it has not yet secured a "turnkey" contract, two are under negotiation—its initial contracts include one from ICI to study the performance and mechanisms of failure of complete systems of pipe-works constructed from glass-reinforced plastics.

The idea for the experimental factory—known as the Polymer Products Development Centre—arose through a decision in 1974 to change the emphasis of investigation at RAPRA from materials research to product development, following the 1972 National Economic Development Office report: "The Plastics Industry and its Prospects." A study by RAPRA at that time indicated that such an experimental factory was one way of helping industry to exploit its new ideas.

The Department of Industry accepted a proposal for government finance for the scheme on the understanding that industry would contribute an equal amount. In the event, industry's contribution was made available from the reserves of RAPRA, whose total income for the current year is expected to be about £1m.

Dr. Hall stresses that the new facility is not a laboratory but has been deliberately designed as a polymer engineering factory and will enable his team to investigate a venture under factory conditions through every stage from market research to the market place.

One of the strongest motives for raising standards of polymer engineering, says Dr. Hall, is that the recent increases in the price of oil-based materials has reduced the attraction of over-designing an engineering part in plastics or rubber to make up for any uncertainties in its properties. The facility is closely related to that of the "teaching factory," an idea of the Science Research Council for training production engineers under conditions analogous to the role of the teaching hospital in medicine.

It also relates closely to a new joint venture launched recently by the British Plastics Federation, the British Rubber Manufacturers' Association and Science Research Council, setting up a polymer engineering directorate under Dr. Tony Challis for training more experts in polymer engineering.

## Gas terminal plan for North West

THE BRITISH Gas Corporation is considering building a natural gas terminal on the North West coast. It was revealed yesterday. The decision to build will largely depend on the results of wells drilled in the Irish Sea this year.

It should be known at the end of the year whether gas is present in sufficient quantities to justify extraction.

British Gas said the results of the drilling programme were being analysed, but the decision to build a terminal would depend on the quantity of gas present.

## West called to second economic summit

By Our Lobby Editor

THE Prime Minister, has received an invitation from President Ford to attend a Western economic summit, probably in the Caribbean, this summer. According to 10, Downing Street, the invitation is being favourably considered.

The summit meeting would be a sequel to a similar gathering at Rambouillet in France last November.

The participating countries then were the U.S., Britain, France, West Germany, Japan and Italy. It is understood that all these countries have received invitations from President Ford, with the addition this time of Canada.

No decision has yet been reached on timing, although late July is mentioned as a possibility. Either the Virgin Islands or Puerto Rico is expected to be the venue.

At Rambouillet, the participants are likely to range over the whole field of economic, financial and trade questions, including the position of various currencies, including sterling.

Mr. Callaghan has not met President Ford since becoming Prime Minister although they met at Rambouillet, which Mr. Callaghan attended as Foreign Secretary.

## Cohesion

Adrian Dick writes from Bonn: West Germany's Chancellor Helmut Schmidt was first sounded out by the Americans about the possibility of holding a new summit meeting, more than four weeks ago, according to officials here. He was said to have agreed enthusiastically.

The meeting is expected to review the results of the series of understandings reached at the Rambouillet talks last autumn.

The most important aspects of the economic picture, in the German view, are likely to be the status of the industrialised countries' pledge not to resort to trade restrictions—seriously breached by the Italians—and of relations with the Third World.

Herr Schmidt is likely to press again for minimal interpretation of the NATO compromise on commodity price agreements which his Government has defended as a political necessity, while continuing to attack economic dirigism.

Inseparable from these issues will be the cohesion of the major industrialised powers, demonstrated to be so shaky at Nairobi. The Germans fear they may be dealing at the meeting with an Italian Government in which the Communists have a place.

## New port supremo at Felixstowe Dock

BY JOHN WYLES, SHIPPING CORRESPONDENT

EUROPEAN FERRIES' boardroom changes at the Felixstowe Dock and Railway Company continued yesterday with the appointment of Mr. Geoffrey Parker as new managing director for the port, only four days after renewed attempts to prevent Felixstowe's falling into the control of the British Transport Docks Board.

The BTDB was still analysing yesterday the implications of a letter from the Felixstowe Board that it was withdrawing from the agreement to sell the port to the BTDB made last December. This deal was made before European Ferries' successful takeover bid two months ago which has been followed by the resignation of all but three of the directors who voted for the original BTDB agreement.

The private eBill empowering the BTDB to take over Felixstowe for £5.3m, is due for a Second Reading in the Lords at the end of this month. But the new Felixstowe directors have told the BTDB that the Bill should now be dropped because of their withdrawal from the agreement.

At the start of what is bound to be a complicated legal wrangle, Felixstowe is arguing among other things, that the Bill was materially changed during its Commons committee stage by an amendment degrading it as a member of the pre-takeover any change in the Felixstowe Board.

BTDB agreement must be sanctioned by Parliament.

The agreement gives either party the right to withdraw if an unacceptable material alteration is made to the Bill before it reaches the Lords Second Reading stage.

The BTDB could accept Felixstowe's interpretation, although this seems unlikely, or it could press ahead with the takeover Bill, at the same time as using an arbitration procedure set out in the agreement to deal with any differences of view between the two sides.

Mr. Geoffrey J. Parker, Felixstowe's new managing director, has been managing director of services of European Ferries Townsend Thoresen and Transport Ferry Services subsidiaries since 1974. Mr. Parker has been appointed "for the period of reorganisation until the end of the year," by which time it should be clear whether European Ferries will retain control of Felixstowe and also whether Mr. R. O. Stevenson, the port's general manager, will return to his desk.

Mr. Stevenson left for six months paid leave at the end of April because it is said he felt unable to join new Felixstowe Board in view of his commitment to the BTDB agreement as a member of the pre-takeover any change in the Felixstowe Board.

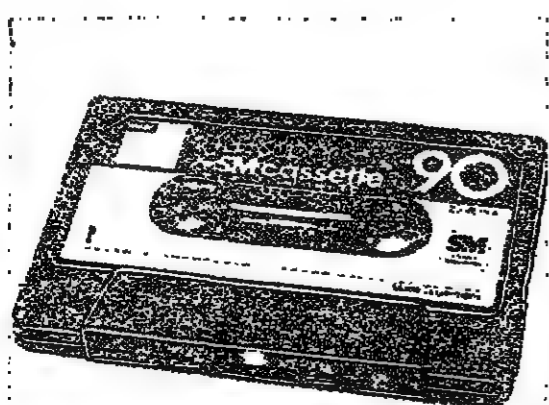
## Jersey company on tank engine export charges

BY OUR JERSEY CORRESPONDENT

THE ST. HELIER, Jersey company of the Import and Export Services, Technical Support and Control Jersey Order, 1954, by Services, has been summoned to exporting armoured fighting vehicles spare parts without appear at the island's Royal Court on June 18 to answer 16 charges related to allegations Finance and Economic Committee that Centurion tank engines were exported to South Africa in contravention of U.K. Ministry of Defence policy.

The summonses were issued by Mr. Vernon Tames, the island's Attorney General, following a local investigation into possible breaches of insular export regulations by the company—a subsidiary of Aviation Jersey.

The charges, all relate to the period from August 12 to December 8 last year. Eight of them allege that false documents were issued, falsely describing the goods as petrol engine spares to obtain export licences in contravention of Section 1 (4) of the Import and Export Control Jersey Law, 1946. A further ledge of the Ministry, Aviation eight charges allege contravention—Jersey has remained silent.



The LH tape developed by BASF was a major breakthrough giving a 7.5dB higher dynamic range than ordinary tape. The new BASF LH Super tape takes the LH principle a stage further by using a new high density coating process. Result: a 3dB improvement. Finally there are the BASF CrO<sub>2</sub> cassettes which reach Hi-Fi standards.



Nyloprint is a method of producing a printing plate that consists of a photosensitive polymer layer securely bonded to a backing material. The resulting plate is lightweight, guarantees high print quality and has a life considerably longer than other letterpress plates. The process also offers a much simpler method of plate making and the ability to utilise modern photosetting facilities. Nyloprint's success is the culmination of years of development effort by experts at BASF.

Calixin, butane—14-diol, Styropor, Ultramid, Phthalocyanines, Palatinol, Acronal, Basosoft, Nyloprint, EDP disc packs... for example. Unfamiliar names for substances that go to make up your familiar world and that are made by BASF.

Two of them are used to make the page this is printed on. Another does the printing. And others provide the colour of the inks.

But one product that is made by BASF is known the world over by that name, and has made that name known the world over; recording tape. Some forty years ago BASF invented it, and even now we are improving and inventing new techniques to help it do its job better. Better tapes, better cassettes, and better machines to play them in.

BASF are working to improve the quality of life.

There is a brochure that tells you all about BASF. Write for your copy to the people concerned. BASF United Kingdom Ltd, P.O. Box 4, Earl Rd., Cheshire Hulme, Cheshire SK8 5QG.

Name \_\_\_\_\_ Company \_\_\_\_\_  
Address \_\_\_\_\_

BASF are the people concerned

BASF

West calls to second economic summit

By Our Lobby Editor  
THE Prime Minister received an invitation to attend a summit of the Caribbean states, according to 10 Downing Street, the invitation is being considered.

The summit is a sequel to a similar one at Rambouillet in November.

The participating countries were the U.S., France, West Germany, Italy, and the U.K. It is understood that all these countries have invitations from the U.S., Canada, and the U.K.

No decision has been reached on timing, although it is mentioned that the summit will be held in either the U.S. or Puerto Rico is expected.

As at Rambouillet, participants are likely to discuss the whole field of financial and trade matters, including the position of currencies, including the dollar.

Mr. Callaghan has been invited to attend the summit at Rambouillet, Mr. Callaghan attended a Secretary.

Cohesion  
Adrian Dick writes from West Germany's O. Helmut Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

Mr. Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

Mr. Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

Mr. Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

Mr. Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

Mr. Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

Mr. Schmidt was sounded out by the U.S. about the possibility of a summit meeting.

# HOME NEWS

## Co-op seeks assurance on bank from Callaghan

By Elinor Goodman  
THE PRIME MINISTER is to meet the Co-operative Movement's representatives in a meeting at the House of Commons on Wednesday. The meeting is to discuss the future of the Co-operative Bank, which is to be nationalised. The Co-operative group is expected to seek an assurance from the Treasury, already has the power to nationalise the clearing banks, do not involve investment policies where the Co-op Bank, which recently gained clearing bank status.

The meeting was announced yesterday at the Co-op's congress. The movement's annual "party" was held at the House of Commons on Wednesday. The meeting is to discuss the future of the Co-operative Bank, which is to be nationalised.

There is considerable anxiety within the Co-operative movement that the Labour Party, national executive may persuade the Government to expand public ownership into the field of City institutions, in which the Co-op is represented both by the Co-op Bank and the Co-operative Insurance Society.

Beer output highest recorded for April  
BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT  
BEER production recovered well in April, with output rising above 1975 levels for the first time this year.

Statistics to be released soon will show production for April as 3.2m, bulk barrels (288 pints to the barrel), the best for that month since figures were first collected in their current form in 1928. The month's output is 21 per cent. ahead of the 2.6m barrels rolled out in April 1975.

But this year there were fewer working days in the month, which indicates a 12 per cent. jump in the daily rate of production.

Factors affecting production in April included some stocking up by retailers in advance of the Budget, because many guessed correctly that the Chancellor would increase the duty on beer. The trend towards stock building was also accelerated to some extent by expectations of May price increases from the brewers themselves — another accurate guess.

However, in spite of these factors, trade estimates are that sales in April were probably over the first four months just around 10 per cent. ahead of 2 per cent. below the same period April 1975.

Concorde test centre at Fairford to close  
BY MICHAEL DUNN, AEROSPACE CORRESPONDENT  
BRITISH AIRCRAFT Corporation's Concorde test centre at Fairford, Gloucestershire, will close on November 30, with all Concorde test work transferred to Filton, near Bristol.

The exact number of workers to become redundant is not yet known, because some of the 280 employed at Fairford will be offered work at Concorde at Filton, where the aircraft is assembled. Discussions are being held with the unions concerned.

The redundancies will be part of the overall rundown of 2,400 workers in the commercial aircraft division since last November. About 700 have been laid off, the remainder being accounted for by early retirements or natural wastage.

Mr. Kenneth Elderfield, managing director of the new company, said yesterday that he was aiming for an annual turnover of about £10m. in five years' time. About £10m. of this probably would come from the carbonising activity, he added.

NCC Process Systems is bidding for contracts in South Africa, India, Dominica and Plant and equipment in both Bolivia.

## U.K. air traffic rises 11%

By Michael Dunn, Aerospace Correspondent  
A FURTHER indication that the recession in world air transport has effectively ended is contained in the latest figures for traffic moving through U.K. airports in March and April this year, which show a rise of nearly 11 per cent. on the corresponding period of 1975.

The British Airports Authority has deliberately taken the two months together, in issuing the figures, to avoid distortions resulting from the Easter holiday, which occurred in March in 1975 and in April this year.

Total traffic through all its airports (Heathrow, Gatwick, Stansted, Glasgow, Edinburgh, Prestwick and Aberdeen) amounted to 4.5m. passengers, while the number of aircraft movements was 71,687, or 8.5 per cent. more than a year ago.

Nearly 2.5m. passengers passed through Heathrow in the two months, up 7.6 per cent. on a year earlier. Aircraft movements at 41,230 showed only a slight fall, reflecting the increasing use of the bigger wide-bodied Jumbos and other jets.

Cargo, however, is still depressed, with the Heathrow tonnage handled declining by 7.4 per cent., and total cargo handled at all the BAA airports falling by 2 per cent. over the year.

# Getting the sums right

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

TWO OF the best-known names in the calculator world, CEM for "Comma-Error-Minor" and Sinclair, should become even more competitive later this year with their new calculators. They have been in an even worse position vis-a-vis complete calculator imports from the developing countries — such as Korea, Taiwan and Hong Kong — since these came in duty free, subject to an EEC-wide quota. It was only after strong British lobbying that the quota was declared filled, and duty enforced for the first month of 1976. The U.K. industry expects it to take until July or August for the quota to be filled this year, though it claims the quota was passed more than a month ago.

Nearly a fifth of U.K. imports of complete calculators of all types come from these so-called "GSP" (Generalised System of Preferences) countries. But one of the industry's main claims is that these countries are the source of about half the imports of low-priced hand-held calculators — directly competitive with the type which accounts for the bulk of U.K. output. About half the calculators sold in the U.K. last year for about £50m. are thought to have been imported.

The situation — albeit belated — of the quota regulation of Canadian-owned CEM, says the U.K. industry, some for calculators was being charged at 17.6 per cent. (the classification for general semiconductor duty on imports of calculator displays for six months, starting on July 1. This is officially described as a trial period, but

there are high hopes of its being made permanent. Proposals for a reduction in the 17.6 per cent. duty on displays had been blocked by France and West Germany, on the grounds that there were several suitable display producers within the Community. The British protested that this was not correct, and their case now appears to have been accepted.

There seems little chance of a similar move on circuits, because of manufacture in the EEC. Calls for a reduction from 17.6 per cent. to 9.9 per cent. have been rejected on the grounds that customs officials could not tell which circuits were suitable only for calculators.

Tariff levels are a particularly significant factor in competition in the calculator market, since sales margins are so low. In the U.S. several manufacturers have either closed plants or are threatening to do so, complaining of duty-free imports from the GSP countries.

Tariffs were one of the factors in Rockwell's decision to close several assembly plants, including one at Portsmouth, in Britain. By contrast, Mr. Tom Self, the U.K. managing director of Canadian-owned CEM, says the EEC changes "make our Durham operation far more competitive than was previously the case".

CEM made about 2m. calculators last year, at a profit, and will be up to an annual rate of 3m. by the end of 1976. Sinclair will have more than doubled its current annual rate of 380,000 by then, according to Mr. Clive Sinclair, its chairman, who forecasts that the EEC moves will "transform our pricing" and make his 250-person-strong company much more competitive.

Strategy  
Another element in Sinclair's strategy for climbing out of the red is to introduce a range of new products, including some right at the bottom end of the market in price terms. He also seems to be moving towards in-house assembly.

The attraction of moving manufacture overseas for both Sinclair and CEM has been that labour rates in Far East countries (other than Japan) have been lower than in the U.K., as are tariffs on imported components. The EEC decision has eased the second problem, and the falling pound has changed the picture on the first. Apart from County Durham, CEM already has plants in the U.S. and the Far East.

Sinclair may also start Far East assembly but only in certain products. Mr. Sinclair now insists that he will "very definitely" not be joining the list of companies which have closed down their U.K. calculator manufacturing.

# Western Australia.

## An investment that will pay dividends for years to come.

In a nation of promise, Western Australia stands out as being exceptionally fortunate. Already, the State accounts for 80% of the nation's iron ore exports. This year it will produce more wheat than any other State. And all the while, the State's manufacturers are moving abroad and capturing an increasing share of the lucrative markets of the Middle East, Africa, South East Asia — our near neighbours.

Economic forecasting is always hazardous but Western Australia can look into the crystal ball with realistic optimism. The State is on the way to establishing a jumbo steel mill, whilst at the same time developing the huge natural gas reserves just off the North West coast. These two developments alone are enough to multiply the State's economic resources and the only question is when.

"Worthwhile development only takes place where there are ample basic resources and where there is a climate of enterprise; both these essential prerequisites are to be found in Western Australia."

My Company is the most diverse, and possibly the largest, industrial organisation in this State. We believe that its mineral wealth, together with the pervading sense of pioneering endeavour, provide a sure foundation for continuing growth.

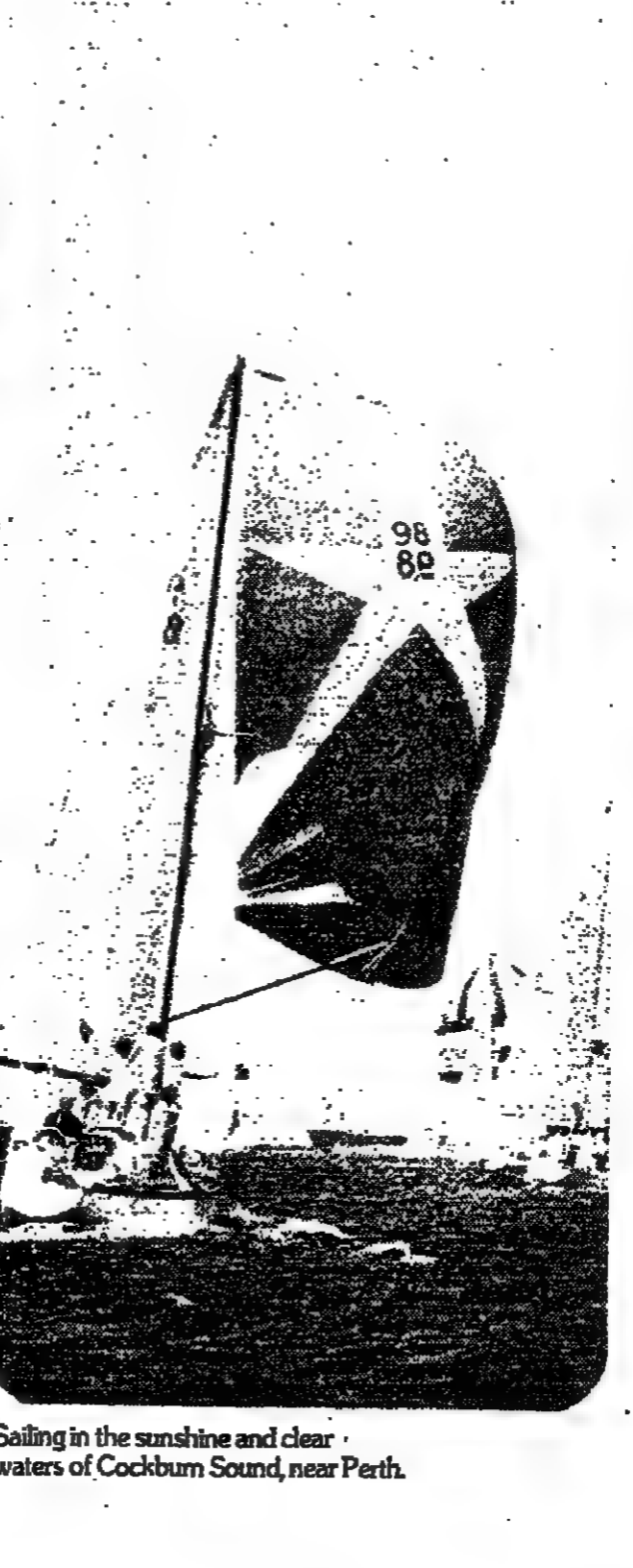
Sir Ian McLennan  
Chairman of Directors  
The Broken Hill Proprietary Co. Ltd.  
Melbourne.



Western Australia's busy Capital, Perth, overlooks picturesque Swan River water.



Mining the massive ore deposits in the iron-rich Pilbara province.



Sailing in the sunshine and clear waters of Cockburn Sound, near Perth.

If you would like to know more about what Western Australia has to offer you, contact: Agent General for Western Australia, 115 Strand, London WC2R OAJ England.

Official Representative, Government of Western Australia, 7th Floor, Sankaido Building, 9-13 Akasaka, 1-Chome, Minato-Ku, 107 Tokyo Japan.

Co-ordinator, Department of Industrial Development, 32 St. George's Terrace, Perth 6000, Western Australia.



Western Australia

## LABOUR NEWS

## Murray appeals to building workers on pay policy

BY CHRISTIAN TYLER, LABOUR STAFF

MR. LEN MURRAY, TUC general secretary, yesterday appealed to delegates of the Union of Construction Allied Trades and Technicians not to upset the unity of the trade union movement in its support for the Government-TUC incomes policy and the fight against inflation.

He was speaking at the union's conference in Scarborough on the eve of debates on wage demands and the social contract which could see the country's biggest construction union become the first large manual union formally to reject the £250-£4 limit.

Mr. Murray, whose visit to Scarborough has been brought forward at the instigation of UCATT's pro-incomes policy leaders deployed the customary range of arguments—the Government's record on labour relations, particularly the repeal of the Industrial Relations Act, and the importance of keeping the Conservative out of power.

But his words received little more than polite attention and applause and there was some bickering after he sat down. Mr. Bert Wilkinson, suggested that delegates should listen to the advice they had been given.

This brought Mr. Murray to his feet once more to stress that he was not trying to give advice but putting delegates in the picture as the TUC general council saw it.

Left-wingers among the delegates were confident last night that a resolution demanding large increases in craftsmen's and labourers' rates would go through this morning and that the conference would move on to declare its opposition in principle to wage restraint.

The pay resolution to be debated to-day seeks £2 an hour for craftsmen and £1.50 for labourers. This compares with current basic rates of 92.5p and 78.5p with existing bonus and supplements, plus a 5% supplementary rise at the end of the month, will bring minimum earnings to £1.30 and £1.13 an hour. The resolution also calls for a five-hour cut in the 40-hour week.

It does not specify when this demand is to be lodged nor whether the pay demand refers to basic rates or minimum earnings. The sponsors of the resolution also want automatic adjustment of wages in line with the cost of living.

On the social contract, a committee resolution reaffirms UCATT's stand against the £6 limit at last year's TUC congress and calls on the executive council to "disregard any bodies setting a ceiling on wage increases."

A special report by the executive council backing the pay guidelines may also be discussed, although there was a successful move on Monday to have it referred back and not taken as the principle social contract resolution.

## Gormley concedes miners may vote against wage pact

BY ROY ROGERS, LABOUR CORRESPONDENT

MR. JOE GORMLEY, the moderate president of the National Union of Mineworkers, conceded yesterday that his members might come out against the TUC-Government pay pact in a secret ballot, expected to be completed this week.

Speaking in a radio interview Mr. Gormley declared that the recent heavy run on the pound had thrown into question the whole concept that Britain's economic situation could be solved by holding back wages.

Referring to the run on sterling, Mr. Gormley said: "The miners, along with other workers, quite rightly say, 'we are not to be blamed for this.' We cannot accept wage restraint in the hope of creating a stronger pound."

Although not able to forecast the result of the ballot—to be counted next week-end—Mr. Gormley said he could understand miners wanting to have a fresh look at the position in view of recent events.

The interview was conducted against strong indications that miners, even in traditionally moderate areas, were hardening their attitudes on pay policy from the 3-2 majority registered last summer in favour of the present £6 limit.

Early unofficial returns from NUM areas which have already voted on the proposed £250 to £4 a week policy indicate that when the Electoral Reform Society counts the ballot papers next week-end the result will be very close.

appealing to miners not to isolate themselves from the rest of the trade union movement.

If the miners come out against the proposals, it will not prevent them winning overwhelming acceptance at a special TUC Congress later this month. But it would leave NUM militants in a strong position to tie the union's annual conference to demands for increases of up to 50 per cent in annual negotiations early next year.

Given that the National Coal Board cannot be expected to offer increases that would breach the proposed 4 per cent pay policy, the NUM militants would then have to win a further majority for industrial action in support of their demands before it could be said that miners were presenting a real challenge to the policy.

It seems unlikely at present that Britain's 250,000 miners would be prepared to vote for industrial action that might lead to the downfall of a Labour Government. If it came to the crunch they would probably abide by the decision of the TUC Congress.

But situations can change and Left-wingers within the NUM will be quick to exploit any further expenditure cuts, price rises or pit closures which might emerge in the meantime.

## Inter-union dispute hits steel processing plants

BY IAN HARGREAVES, LABOUR STAFF

UNIONS REPRESENTING almost 3m. workers are locked in combat over attempts to recruit 36 men at an Essex steel processing factory.

As a result, Rom River, of Witham, has had its steel supplies effectively cut off. The union representing 25 of its employees, the Iron and Steel Trade Confederation, is backing a three-week-old strike by its members, and the other unions involved, the Transport and General Workers' Union, and the General and Municipal Workers' Union, have referred the issue to an inter-union disputes committee.

The ISTC has blocked steel supplies to the company's four other factories as well as Witham. The company has already placed one order for steel abroad because of the curtailment of domestic supplies.

The company said yesterday: "We are simply sandwiched between the unions, unable to act." Rom River has not had a strike previously in its eight years at Witham.

## Not recognised

Rom River is affiliated to the National Federation of Building Trades, which recognises the GMWU and the TGWU, but not ISTC in its working agreements. For this reason, the company maintains it is unable to recognise ISTC.

ISTC argues that it began recruiting at Rom River earlier this year because no union had members there and the men were employed in steel processing, where ISTC has over 1,000 members.

The union claims that the two

general workers' unions became interested only when they learned of ISTC's success, even though the TGWU had several lapsed members on the site. The GMWU has recruited 31 members since ISTC's successful membership drive.

ISTC also claims that the men are being paid substantially lower rates than their counterparts in the steel industry.

The Advisory Conciliation and Arbitration Service has been brought into the discussions twice, but so far without success. "We are determined to secure full negotiating rights and the men share our determination," says Mr. Roy Evans, ISTC assistant general secretary. The union has written to the TUC to say that it does not recognise the existence of an inter-union dispute at Rom River.

## ICI unions discuss investment decisions

BY DAVID CHURCHILL, LABOUR STAFF

MAJOR INVESTMENT decisions at chemical giant ICI are being discussed with the six main signatory trade unions at the company as part of ICI's extensive participation programme.

The discussions are at an informal stage at present but the ICI Board is actively considering proposals to establish talks on its £200m. a year investment programme on a regular basis.

Mr. John Miller, national officer at the Transport and General Workers' Union and secretary of the signatory unions at ICI, said yesterday that the unions were seeking bi-monthly or quarterly meetings with ICI directors.

The prospect of permanent talks on ICI's investment strategy follows considerable pressure by the unions to make ICI more "socially accountable," said Mr. Miller. He explained managed to persuade ICI to change its mind on siting a new plant in Holland and, instead, to build it in Lancashire.

"The success of our discussions on that new plant has given us the impetus to have an on-going dialogue with the company," he added.

## Proposals

In addition, at ICI's recent participation conference held in Harrogate—at which shop stewards questioned senior management—the company agreed to consider proposals for active involvement of the unions in all major business decisions.

Meanwhile a joint committee has been set up between trade unions in the chemical industry and the employers' Chemical Industries Association to encourage consultation and involvement on health and safety matters.

Some 9,000 senior managerial and professional staff at ICI have accepted £6 per week pay rises from next month. But the staff are seeking pay increases from August for those excluded from the present pay policy by the £8,500 cut-off.

## Wales TUC plea for airport

By Our Labour Staff

RETENTION and expansion of Rhosneig Airport, near Cardiff, as an essential contribution to the development of the Welsh economy was advocated yesterday by the Wales TUC.

A study by the Wales TUC published yesterday says that while the Civil Aviation Authority would like Bristol to become the "hub" airport for Wales and the South-West, most of the arguments favour Rhosneig.

Mr. George Wright, general secretary of the Wales TUC, said Wales lacked high technology export-based industry and could expect to lag behind in any export-led growth of the economy. A major factor in overcoming this drawback would be an expanded Rhosneig Airport providing European links.

The Wales TUC has no hesitation in throwing its weight behind the future development of Rhosneig Airport, for we believe that on economic, social and local grounds an overwhelming case can be made out for its rapid expansion.

## NUM militants

Some NUM officials blame Mr. Gormley in part for this situation. His initial reaction to the proposed new policy was that he was "not happy with it and that he could see little difference between a so-called voluntary policy, forced on unions by the TUC, and a statutory one."

Since then, Mr. Gormley—angry that the policy precluded any new productivity arrangement—has urged his members to accept the proposals. Mr. Lawrence Daly, the union's general secretary, has also recommended acceptance.

## APPOINTMENTS

## Ian Fraser joins Chloride Board



Mr. Ian Fraser

Mr. Ian J. Fraser, deputy chairman of Lazard Brothers and chairman of Roll-Royce Motors, has joined the Board of CHLORIDE GROUP as a non-executive director. Mr. Fraser, in addition to his other appointments, is a director of BOC International and Dairy International and chairman of the City Capital Markets Committee.

Mr. Graham Whitehead, president of British Leyland Motors Inc., the U.S. sales company of British Leyland, has been elected president of the BRITISH AMERICAN CHAMBER OF COMMERCE. Mr. Whitehead succeeds Mr. Sidney E. Sweet, chairman of C. Tennant Sons and Co., of New York, as president of the chamber.

Mr. Colin Wilkinson has been appointed a director of MILLARD HONES and continues as group accountant.

Mr. Cyril Mulcaster has been appointed managing director of RUSH & TOMKINS SCOTLAND.

Mr. Terry Dawson has been appointed sales director of CERAMIQUE INTERNATIONALE.

The COLONIAL MUTUAL LIFE ASSURANCE SOCIETY has made the following executive appointments: Mr. R. J. Durden, general manager and secretary for the U.K.; Mr. A. J. Merrifield, assistant general manager (marketing); and Mr. E. K. V. Redfern, assistant general manager (investments).

Mr. J. A. Caldwell has been elected president of the EQUITABLE LIFE ASSURANCE SOCIETY to succeed Mr. R. A. Henderson. Mr. W. M. Cunningham has been elected and Mr. D. A. Hurston re-elected vice-president. Mr. F. L. Geddes has retired after 20 years as a director.

tor. Professor Roland Smith and Mr. A. J. Sykes, a director of the company, continues as general manager at Selby. Mr. J. F. Dawson has been named director of Yorkshire Chemicals and becomes general manager of CHEYHAM LEASING, a subsidiary of Lloyd Cheyham & Co.

Mr. Timothy Noble has been appointed a director of LYLE SHIPPING COMPANY. He has been secretary since 1973.

Dr. T. R. Marsden has been appointed registrar-secretary for the INSTITUTION OF METALLURGISTS in succession to Mr. D. W. Harding.

Dr. Gilbert Kelling has been appointed to the Chair of Geology and headship of the geology department at the UNIVERSITY OF KEELE from October 1 in succession to Professor F. W. Cope, who retires at the end of this session. Dr. Kelling comes to Keele from the University College of Swansea, where he is Reader in Geology in the department of geology and oceanography.

Mr. David R. Addison has been appointed managing director of ITEL U.K., a subsidiary of ITEL International. Mr. Addison was previously European marketing director for Singer Information Systems Division.

Mr. G. A. Higham, group managing director of Cape Industries, has been appointed chairman of BREFCON INTERNATIONAL following the retirement of Mr. J. H. N. Thompson.

Mr. J. M. Ritchie, British Caledonian Airways director of external affairs, has been appointed to the Board of GAMBIA AIRWAYS. The appointment results from a ten-year agreement concluded in 1973 whereby British Caledonian invested in a 40 per cent shareholding in Gambia Airways, and undertook to assist in its management.

Mr. John Parrott has been appointed works director of Gale and Polden. He has been works director of Chromoworks. Both concerns are members of the BRITISH PRINTING CORPORATION.

Mr. R. E. Ferguson, of Plessey Hydraulics, has been appointed chairman of the ASSOCIATION OF HYDRAULIC EQUIPMENT MANUFACTURERS. He succeeds Mr. J. A. Fowler, who held office for two years. The new vice chairman, succeeding Mr. Ferguson, is Mr. C. F. Ackerman, managing director of Parker Hannifin (U.K.).

Mr. R. D. Beaulands has been appointed to the newly created post of production and research director of YORKSHIRE

CHEMICALS and will be based at Leeds. Mr. J. Sykes, a director of the company, continues as general manager at Selby. Mr. J. F. Dawson has been named director of Yorkshire Chemicals and becomes general manager of CHEYHAM LEASING, a subsidiary of Lloyd Cheyham & Co.

Mr. Timothy Noble has been appointed a director of LYLE SHIPPING COMPANY. He has been secretary since 1973.

Dr. T. R. Marsden has been appointed registrar-secretary for the INSTITUTION OF METALLURGISTS in succession to Mr. D. W. Harding.

Dr. Gilbert Kelling has been appointed to the Chair of Geology and headship of the geology department at the UNIVERSITY OF KEELE from October 1 in succession to Professor F. W. Cope, who retires at the end of this session. Dr. Kelling comes to Keele from the University College of Swansea, where he is Reader in Geology in the department of geology and oceanography.

Mr. David R. Addison has been appointed managing director of ITEL U.K., a subsidiary of ITEL International. Mr. Addison was previously European marketing director for Singer Information Systems Division.

Mr. G. A. Higham, group managing director of Cape Industries, has been appointed chairman of BREFCON INTERNATIONAL following the retirement of Mr. J. H. N. Thompson.

Mr. J. M. Ritchie, British Caledonian Airways director of external affairs, has been appointed to the Board of GAMBIA AIRWAYS. The appointment results from a ten-year agreement concluded in 1973 whereby British Caledonian invested in a 40 per cent shareholding in Gambia Airways, and undertook to assist in its management.

Mr. John Parrott has been appointed works director of Gale and Polden. He has been works director of Chromoworks. Both concerns are members of the BRITISH PRINTING CORPORATION.

Mr. R. E. Ferguson, of Plessey Hydraulics, has been appointed chairman of the ASSOCIATION OF HYDRAULIC EQUIPMENT MANUFACTURERS. He succeeds Mr. J. A. Fowler, who held office for two years. The new vice chairman, succeeding Mr. Ferguson, is Mr. C. F. Ackerman, managing director of Parker Hannifin (U.K.).

Mr. R. D. Beaulands has been appointed to the newly created post of production and research director of YORKSHIRE

Mr. Chivers is head of economic services, Metal Box, and continues in that position.

Mr. John Chilton, managing director of Chilton Business Services, has become chairman of the BRITISH CONTRACT FURNISHING ASSOCIATION.

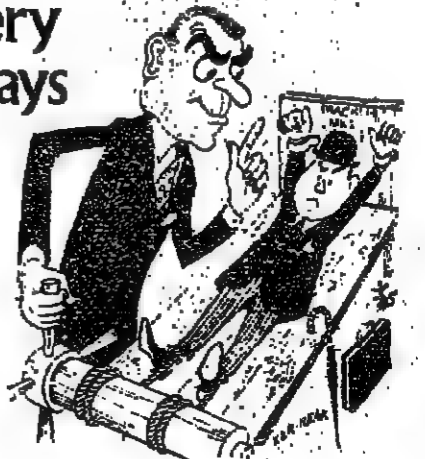
Mr. David W. Whitley has joined the Board of the CHAMPION SPARKING PLUG COMPANY as a director of Finance and administration. He was previously director of Finance—Europe, for the DeVilbiss Company.

Mr. Cyril Deeley has been appointed to the newly created post of director of management services of DOBSON PARK INDUSTRIES. Mr. Deeley has been made group chief accountant. Mr. John Geary is now group treasurer and Mr. D. E. Dees group accountant.

Dr. A. R. Payne, director of Shoe and Allied Trades Research Association since 1967, is to be director of the RUBBER AND PLASTICS RESEARCH ASSOCIATION from September.

Mr. Robert W. Akers has been appointed managing director of BURROUGHS MACHINES from August 1. He will succeed Mr. Irwin R. Reesor who is to retire on that date. The company is the British subsidiary of Burroughs Corporation.

We have very efficient ways of getting the facts for our Annual Dividend Record



All you need to know for accounts or tax returns. The complete fiscal year in one bound volume. Including dates, rates of dividend, amounts per share. Write or phone for details plus your copy of the Record on approval. Immediately, sir.

Extel Statistical Services Limited  
37-45 Paul Street, London, EC2A 4PB  
Telephone: 01-253 3400

Extel

DSM?

for a leading company  
we are initially misleading

We should have called ourselves ICI, for Immense Chemical Ingenuity. Or GEC for General Experts in Chemistry. Or ABC for Acrylonitrile, Butadiene, Cyclohexamine to take but three of our hundreds of products. All much less misleading than DSM.

**D** FOR DUTCH. Our HQ is at Heerlen in Holland, but we don't stop there: one third of the total of 30,000 DSM men are located in subsidiaries and associate companies in the United States, South America, all over Western Europe and many other countries as well.

**S** FOR STATE. Misleading if you think a state business is protected from the chill winds other businesses have to face. Our Government's instructions to us are to make a profit and to raise any capital we need in the market place like everyone else. That's how protected we are.

**M** FOR MINES. That's so misleading it's a wonder nobody has sued us. We once operated several Dutch coal mines, but the last Dutch-mined coal came up in 1973 completing a smooth and profitable move to other energy sources and wider enterprises. We'd long been in coke, then gas and chemicals; now we're in petrochemicals, fertilisers, plastics, yarn and fibre feedstocks, rubbers, resins, building materials, transport, clothing... But after 70 years we're stuck with DSM. If it helps, you could think of us as Developing Synthetic Molecules, or Dying to Show you our Methods—or even as a Definite Source of Money.

DSM



chemicals and plastics

There's more to our story. To find out how much write to DSM, Information Centre, P.O. Box 65, Heerlen, The Netherlands.

Private Placement

The advertisement will appear in a number of local and national newspapers. All these bonds have been sold.

May, 1976



HAZAMA-GUMI, LTD.  
Tokyo

DM 40,000,000

8% Deutsche Mark Bearer Bonds of 1976/1981  
guaranteed by

The Dai-ichi Kangyo Bank, Limited

Bayerische Vereinsbank - Daiwa Europe (Deutschland) GmbH  
The Nikko Securities Co. (Deutschland) GmbH - Berliner Handels- und Frankfurter Bank  
Credit Suisse White Weld Limited - Deutsche Girozentrale - Deutsche Kontinentalbank  
Simonbank Aktiengesellschaft - Swiss Bank Corporation (Overseas) Limited  
Vereins- und Westbank Aktiengesellschaft



## WINE

## A wine academy on the Rhine

BY EDMUND PENNING-ROWSELL

ALTHOUGH THE declared purpose of the German wine laws and regulations is verity and clarity (Warheit und Klarheit), most wine drinkers outside Germany, however sophisticated, would admit to finding the subject of German wines both complex and confusing. For this is the historical background and geographical situation of these northerly vineyards are more responsible than official obfuscation; but whatever the causes, no wines call for more pre-prandial homework than those of the eleven main German wine districts.

To their credit, a small band of wine professionals in the Rheingau and Rheinhessen realised this a few years ago, and, with the support of the semi-official German Wine Board, started a series of seminars from May to September for English-speaking "students," both professional and amateur.

I was invited to participate in the first of this year's sessions, and found it of absorbing interest in more ways than one. For it presented an opportunity of sampling well over 100 wines from all over Germany; and since spitting-out is not common practice at tastings in Germany, only their low alcoholic content saved more than one participant from somnolence and worse! For the course, though admirably organised, was fairly hard work, involving long coach-rides from the Oestrich hotel where the seminarists are quartered to the Moselle, Palatinate and Rheinhessen. Normally too there is a visit to Haidelberg to sample the Baden wines, but on the course I attended, instead we were invited to attend a remarkable tasting, organised by wine hierarchy. Not all the 10 per cent. respectively. There-

French, however, have only taken to clone research comparatively recently, and successful results take many years; but for the consumer this could offer long-term prospects of less expensive fine claret and burgundy.

These lectures and visits did not exhaust the Wine Academy programme. There were talks on the German wine market, and on wine and health, a steamer excursion down the Middle Rhine, and a visit to the Speyer wine museum, where the world's oldest bottle of 4th century AD wine is preserved.

If an evening in Rüdesheim's Drosselgasse (is this the riverine Blackpool of Germany?) represented the not over-pleasant tourist side of the seminar, the final evening in Kloster Eberbach constituted the social and gastronomic peak. To accompany a tasting culminating in Hochheimer Domdechaney Trübenbeerenäusser, '53, the students were presented with inscribed certificates of an impressive and size that will surely secure for them entry into any celestial wine cellar.

There are three more seminars this year, in August and September, as well as a new postgraduate course in October. The normal intake is about 30, but more can be accommodated. The fee per person is DM180, a good deal in our depressed currency, but, including everything, it still provides good value for money as well as an unparalleled opportunity to study and enjoy wines within six days. Those interested should apply to the Wines from Germany Information Service, 15, Thayer Street, W1.

To the French, whose fine wine output usually varies from 30 hl. to 50 hl. per hectare, this sounds like heresy, but Geisenheim claims that the Riesling can produce crop up to 120 hl. per ha. without loss of quality, while the Müller-Thurgau can safely go up to 150 hl.

Not least obscure on these is the A.P. (Amtliche Prüfungs) number on every label of quality wine that is above table wine level. So a visit was paid to the office of Alzey which tests 32,000 samples a year from every bottling by private growers or co-operatives in Rheinhessen. Similar A.P. offices exist in all the other districts. If this calls for some formidable form-filling by the growers, it is a substantial protection against fraud, especially through unjustified up-grading. About 5 per cent. are rejected, although an appeal may be made, but among Auslese and Spätlese wines the rejection rate is as high as 20 per cent. and

French, however, have only taken to clone research comparatively recently, and successful results take many years; but for the consumer this could offer long-term prospects of less expensive fine claret and burgundy.

These lectures and visits did not exhaust the Wine Academy programme. There were talks on the German wine market, and on wine and health, a steamer excursion down the Middle Rhine, and a visit to the Speyer wine museum, where the world's oldest bottle of 4th century AD wine is preserved.

To the French, whose fine wine output usually varies from 30 hl. to 50 hl. per hectare, this sounds like heresy, but Geisenheim claims that the Riesling can produce crop up to 120 hl. per ha. without loss of quality, while the Müller-Thurgau can safely go up to 150 hl.

## APPOINTMENTS



**LOUIS BERGER INTERNATIONAL INC**  
INGÉNIÉRIE - ÉCONOMIE - AMÉNAGEMENT  
recherche  
pour études de longue durée  
OUTRE-MER

## MACRO-ECONOMISTES et ECONOMISTES DE DEVELOPPEMENT

avec expérience de quelques années dans le domaine de la planification ou des études économiques générales des pays en voie de développement.

Adresser CV détaillé, photo et prétentions à  
Nathalie BARRAULT - LOUIS BERGER SARL  
71, rue Fondary - 75015 Paris

## HARLOW, MEYER & CO.

Foreign Exchange and Currency Deposit Brokers  
have a vacancy on their  
International Deposit section.

Fluent French essential and previous experience preferable.

Age approximately 25. Salary negotiable.

Curriculum vitae should be sent to:

Secretary,  
Harlow Meyer & Co.,  
Adelaide House, London Bridge,  
London EC4R 9EQ.

## UNIVERSITY OF THE WEST

### INDIES-BARBADOS

Applications are invited from suitably qualified persons for the post of  
**TWO POSTS OF LECTURER/ASSISTANT LECTURER IN THE DEPARTMENT OF ECONOMICS**

The appointee will be expected to assume duties not later than 1 October 1976. Salary will be from August 1976. Lecturers: DM24,000-27,000 p.a. (incl. housing); DM28,000-32,000 p.a. (incl. housing). DM32,000-35,000 p.a. (incl. housing). DM36,000-40,000 p.a. (incl. housing). DM40,000-44,000 p.a. (incl. housing). DM44,000-48,000 p.a. (incl. housing). DM48,000-52,000 p.a. (incl. housing). DM52,000-56,000 p.a. (incl. housing). DM56,000-60,000 p.a. (incl. housing). DM60,000-64,000 p.a. (incl. housing). DM64,000-68,000 p.a. (incl. housing). DM68,000-72,000 p.a. (incl. housing). DM72,000-76,000 p.a. (incl. housing). DM76,000-80,000 p.a. (incl. housing). DM80,000-84,000 p.a. (incl. housing). DM84,000-88,000 p.a. (incl. housing). DM88,000-92,000 p.a. (incl. housing). DM92,000-96,000 p.a. (incl. housing). DM96,000-100,000 p.a. (incl. housing). DM100,000-104,000 p.a. (incl. housing). DM104,000-108,000 p.a. (incl. housing). DM108,000-112,000 p.a. (incl. housing). DM112,000-116,000 p.a. (incl. housing). DM116,000-120,000 p.a. (incl. housing). DM120,000-124,000 p.a. (incl. housing). DM124,000-128,000 p.a. (incl. housing). DM128,000-132,000 p.a. (incl. housing). DM132,000-136,000 p.a. (incl. housing). DM136,000-140,000 p.a. (incl. housing). DM140,000-144,000 p.a. (incl. housing). DM144,000-148,000 p.a. (incl. housing). DM148,000-152,000 p.a. (incl. housing). DM152,000-156,000 p.a. (incl. housing). DM156,000-160,000 p.a. (incl. housing). DM160,000-164,000 p.a. (incl. housing). DM164,000-168,000 p.a. (incl. housing). DM168,000-172,000 p.a. (incl. housing). DM172,000-176,000 p.a. (incl. housing). DM176,000-180,000 p.a. (incl. housing). DM180,000-184,000 p.a. (incl. housing). DM184,000-188,000 p.a. (incl. housing). DM188,000-192,000 p.a. (incl. housing). DM192,000-196,000 p.a. (incl. housing). DM196,000-200,000 p.a. (incl. housing). DM200,000-204,000 p.a. (incl. housing). DM204,000-208,000 p.a. (incl. housing). DM208,000-212,000 p.a. (incl. housing). DM212,000-216,000 p.a. (incl. housing). DM216,000-220,000 p.a. (incl. housing). DM220,000-224,000 p.a. (incl. housing). DM224,000-228,000 p.a. (incl. housing). DM228,000-232,000 p.a. (incl. housing). DM232,000-236,000 p.a. (incl. housing). DM236,000-240,000 p.a. (incl. housing). DM240,000-244,000 p.a. (incl. housing). DM244,000-248,000 p.a. (incl. housing). DM248,000-252,000 p.a. (incl. housing). DM252,000-256,000 p.a. (incl. housing). DM256,000-260,000 p.a. (incl. housing). DM260,000-264,000 p.a. (incl. housing). DM264,000-268,000 p.a. (incl. housing). DM268,000-272,000 p.a. (incl. housing). DM272,000-276,000 p.a. (incl. housing). DM276,000-280,000 p.a. (incl. housing). DM280,000-284,000 p.a. (incl. housing). DM284,000-288,000 p.a. (incl. housing). DM288,000-292,000 p.a. (incl. housing). DM292,000-296,000 p.a. (incl. housing). DM296,000-300,000 p.a. (incl. housing). DM300,000-304,000 p.a. (incl. housing). DM304,000-308,000 p.a. (incl. housing). DM308,000-312,000 p.a. (incl. housing). DM312,000-316,000 p.a. (incl. housing). DM316,000-320,000 p.a. (incl. housing). DM320,000-324,000 p.a. (incl. housing). DM324,000-328,000 p.a. (incl. housing). DM328,000-332,000 p.a. (incl. housing). DM332,000-336,000 p.a. (incl. housing). DM336,000-340,000 p.a. (incl. housing). DM340,000-344,000 p.a. (incl. housing). DM344,000-348,000 p.a. (incl. housing). DM348,000-352,000 p.a. (incl. housing). DM352,000-356,000 p.a. (incl. housing). DM356,000-360,000 p.a. (incl. housing). DM360,000-364,000 p.a. (incl. housing). DM364,000-368,000 p.a. (incl. housing). DM368,000-372,000 p.a. (incl. housing). DM372,000-376,000 p.a. (incl. housing). DM376,000-380,000 p.a. (incl. housing). DM380,000-384,000 p.a. (incl. housing). DM384,000-388,000 p.a. (incl. housing). DM388,000-392,000 p.a. (incl. housing). DM392,000-396,000 p.a. (incl. housing). DM396,000-400,000 p.a. (incl. housing). DM400,000-404,000 p.a. (incl. housing). DM404,000-408,000 p.a. (incl. housing). DM408,000-412,000 p.a. (incl. housing). DM412,000-416,000 p.a. (incl. housing). DM416,000-420,000 p.a. (incl. housing). DM420,000-424,000 p.a. (incl. housing). DM424,000-428,000 p.a. (incl. housing). DM428,000-432,000 p.a. (incl. housing). DM432,000-436,000 p.a. (incl. housing). DM436,000-440,000 p.a. (incl. housing). DM440,000-444,000 p.a. (incl. housing). DM444,000-448,000 p.a. (incl. housing). DM448,000-452,000 p.a. (incl. housing). DM452,000-456,000 p.a. (incl. housing). DM456,000-460,000 p.a. (incl. housing). DM460,000-464,000 p.a. (incl. housing). DM464,000-468,000 p.a. (incl. housing). DM468,000-472,000 p.a. (incl. housing). DM472,000-476,000 p.a. (incl. housing). DM476,000-480,000 p.a. (incl. housing). DM480,000-484,000 p.a. (incl. housing). DM484,000-488,000 p.a. (incl. housing). DM488,000-492,000 p.a. (incl. housing). DM492,000-496,000 p.a. (incl. housing). DM496,000-500,000 p.a. (incl. housing). DM500,000-504,000 p.a. (incl. housing). DM504,000-508,000 p.a. (incl. housing). DM508,000-512,000 p.a. (incl. housing). DM512,000-516,000 p.a. (incl. housing). DM516,000-520,000 p.a. (incl. housing). DM520,000-524,000 p.a. (incl. housing). DM524,000-528,000 p.a. (incl. housing). DM528,000-532,000 p.a. (incl. housing). DM532,000-536,000 p.a. (incl. housing). DM536,000-540,000 p.a. (incl. housing). DM540,000-544,000 p.a. (incl. housing). DM544,000-548,000 p.a. (incl. housing). DM548,000-552,000 p.a. (incl. housing). DM552,000-556,000 p.a. (incl. housing). DM556,000-560,000 p.a. (incl. housing). DM560,000-564,000 p.a. (incl. housing). DM564,000-568,000 p.a. (incl. housing). DM568,000-572,000 p.a. (incl. housing). DM572,000-576,000 p.a. (incl. housing). DM576,000-580,000 p.a. (incl. housing). DM580,000-584,000 p.a. (incl. housing). DM584,000-588,000 p.a. (incl. housing). DM588,000-592,000 p.a. (incl. housing). DM592,000-596,000 p.a. (incl. housing). DM596,000-600,000 p.a. (incl. housing). DM600,000-604,000 p.a. (incl. housing). DM604,000-608,000 p.a. (incl. housing). DM608,000-612,000 p.a. (incl. housing). DM612,000-616,000 p.a. (incl. housing). DM616,000-620,000 p.a. (incl. housing). DM620,000-624,000 p.a. (incl. housing). DM624,000-628,000 p.a. (incl. housing). DM628,000-632,000 p.a. (incl. housing). DM632,000-636,000 p.a. (incl. housing). DM636,000-640,000 p.a. (incl. housing). DM640,000-644,000 p.a. (incl. housing). DM644,000-648,000 p.a. (incl. housing). DM648,000-652,000 p.a. (incl. housing). DM652,000-656,000 p.a. (incl. housing). DM656,000-660,000 p.a. (incl. housing). DM660,000-664,000 p.a. (incl. housing). DM664,000-668,000 p.a. (incl. housing). DM668,000-672,000 p.a. (incl. housing). DM672,000-676,000 p.a. (incl. housing). DM676,000-680,000 p.a. (incl. housing). DM680,000-684,000 p.a. (incl. housing). DM684,000-688,000 p.a. (incl. housing). DM688,000-692,000 p.a. (incl. housing). DM692,000-696,000 p.a. (incl. housing). DM696,000-700,000 p.a. (incl. housing). DM700,000-704,000 p.a. (incl. housing). DM704,000-708,000 p.a. (incl. housing). DM708,000-712,000 p.a. (incl. housing). DM712,000-716,000 p.a. (incl. housing). DM716,000-720,000 p.a. (incl. housing). DM720,000-724,000 p.a. (incl. housing). DM724,000-728,000 p.a. (incl. housing). DM728,000-732,000 p.a. (incl. housing). DM732,000-736,000 p.a. (incl. housing). DM736,000-740,000 p.a. (incl. housing). DM740,000-744,000 p.a. (incl. housing). DM744,000-748,000 p.a. (incl. housing). DM748,000-752,000 p.a. (incl. housing). DM752,000-756,000 p.a. (incl. housing). DM756,000-760,000 p.a. (incl. housing). DM760,000-764,000 p.a. (incl. housing). DM764,000-768,000 p.a. (incl. housing). DM768,000-772,000 p.a. (incl. housing). DM772,000-776,000 p.a. (incl. housing). DM776,000-780,000 p.a. (incl. housing). DM780,000-784,000 p.a. (incl. housing). DM784,000-788,000 p.a. (incl. housing). DM788,000-792,000 p.a. (incl. housing). DM792,000-796,000 p.a. (incl. housing). DM796,000-800,000 p.a. (incl. housing). DM800,000-804,000 p.a. (incl. housing). DM804,000-808,000 p.a. (incl. housing). DM808,000-812,000 p.a. (incl. housing). DM812,000-816,000 p.a. (incl. housing). DM816,000-820,000 p.a. (incl. housing). DM820,000-824,000 p.a. (incl. housing). DM824,000-828,000 p.a. (incl. housing). DM828,000-832,000 p.a. (incl. housing). DM832,000-836,000 p.a. (incl. housing). DM836,000-840,000 p.a. (incl. housing). DM840,000-844,000 p.a. (incl. housing). DM844,000-848,000 p.a. (incl. housing). DM848,000-852,000 p.a. (incl. housing). DM852,000-856,000 p.a. (incl. housing). DM856,000-860,000 p.a. (incl. housing). DM860,000-864,000 p.a. (incl. housing). DM864,000-868,000 p.a. (incl. housing). DM868,000-872,000 p.a. (incl. housing). DM872,000-876,000 p.a. (incl. housing). DM876,000-880,000 p.a. (incl. housing). DM880,000-884,000 p.a. (incl. housing). DM884,000-888,000 p.a. (incl. housing). DM888,000-892,000 p.a. (incl. housing). DM892,000-896,000 p.a. (incl. housing). DM896,000-900,000 p.a. (incl. housing). DM900,000-904,000 p.a. (incl. housing). DM904,000-908,000 p.a. (incl. housing). DM908,000-912,000 p.a. (incl. housing). DM912,000-916,000 p.a. (incl. housing). DM916,000-920,000 p.a. (incl. housing). DM920,000-924,000 p.a. (incl. housing). DM924,000-928,000 p.a. (incl. housing). DM928,000-932,000 p.a. (incl. housing). DM932,000-936,000 p.a. (incl. housing). DM936,000-940,000 p.a. (incl. housing). DM940,000-944,000 p.a. (incl. housing). DM944,000-948,000 p.a. (incl. housing). DM948,000-952,000 p.a. (incl. housing). DM952,000-956,000 p.a. (incl. housing). DM956,000-960,000 p.a. (incl. housing). DM960,000-964,000 p.a. (incl. housing). DM964,000-968,000 p.a. (incl. housing). DM968,000-972,000 p.a. (incl. housing). DM972,000-976,000 p.a. (incl. housing). DM976,000-980,000 p.a. (incl. housing). DM980,000-984,000 p.a. (incl. housing). DM984,000-988,000 p.a. (incl. housing). DM988,000-992,000 p.a. (incl. housing). DM992,000-996,000 p.a. (incl. housing). DM996,000-1000,000 p.a. (incl. housing). DM1000,000-1004,000 p.a. (incl. housing). DM1004,000-1008,000 p.a. (incl. housing). DM1008,000-1012,000 p.a. (incl. housing). DM1012,000-1016,000 p.a. (incl. housing). DM1016,000-1020,000 p.a. (incl. housing). DM1020,000-1024,000 p.a. (incl. housing). DM1024,000-1028,000 p.a. (incl. housing). DM1028,000-1032,000 p.a. (incl. housing). DM1032,000-1036,000 p.a. (incl. housing). DM1036,000-1040,000 p.a. (incl. housing). DM1040,000-1044,000 p.a. (incl. housing). DM1044,000-1048,000 p.a. (incl. housing). DM1048,000-1052,000 p.a. (incl. housing). DM1052,000-1056,000 p.a. (incl. housing). DM1056,000-1060,000 p.a. (incl. housing). DM1060,000-1064,000 p.a. (incl. housing). DM1064,000-1068,000 p.a. (incl. housing). DM1068,000-1072,000 p.a. (incl. housing). DM1072,000-1076,000 p.a. (incl. housing). DM1076,000-1080,000 p.a. (incl. housing). DM1080,000-1084,000 p.a. (incl. housing). DM1084,000-1088,000 p.a. (incl. housing). DM1088,000-1092,000 p.a. (incl. housing). DM1092,000-1096,000 p.a. (incl. housing). DM1096,000-1100,000 p.a. (incl. housing). DM1100,000-1104,000 p.a. (incl. housing). DM1104,000-1108,000 p.a. (incl. housing). DM1108,000-1112,000 p.a. (incl. housing). DM1112,000-1116,000 p.a. (incl. housing). DM1116,000-1120,000 p.a. (incl. housing). DM1120,000-1124,000 p.a. (incl. housing). DM1124,000-1128,000 p.a. (incl. housing). DM1128,000-1132,000 p.a. (incl. housing). DM1132,000-1136,000 p.a. (incl. housing). DM1136,000-1140,000 p.a. (incl. housing). DM1140,000-1144,000 p.a. (incl. housing). DM1144,000-1148,000 p.a. (incl. housing). DM1148,000-1152,000 p.a. (incl. housing). DM1152,000-1156,000 p.a. (incl. housing). DM1156,000-1160,000 p.a. (incl. housing). DM1160,000-1164,000 p.a. (incl. housing). DM1164,000-1168,000 p.a. (incl. housing). DM1168,000-1172,000 p.a. (incl. housing). DM1172,000-1176,000 p.a. (incl. housing). DM1176,000-1180,000 p.a. (incl. housing). DM1180,000-1184,000 p.a. (incl. housing). DM1184,000-1188,000 p.a. (incl. housing). DM1188,000-1192,000 p.a. (incl. housing). DM1192,000-1196,000 p.a. (incl. housing). DM1196,000-1200,000 p.a. (incl. housing). DM1200,000-1204,000 p.a. (incl. housing). DM1204,000-1208,000 p.a. (incl. housing). DM1208,000-1212,000 p.a. (incl. housing). DM1212,000-1216,000 p.a. (incl. housing). DM1216,000-1220,000 p.a. (incl. housing). DM1220,000-1224,000 p.a. (incl. housing). DM1224,000-1228,000 p.a. (incl. housing). DM1228,000-1232,000 p.a. (incl. housing). DM1232,000-1236,000 p.a. (incl. housing). DM1236,000-1240,000 p.a. (incl. housing). DM1240,000-1244,000 p.a. (incl. housing). DM1244,000-1248,000 p.a. (incl. housing). DM1248,000-1252,000 p.a. (incl. housing). DM1252,000-1256,000 p.a. (incl. housing). DM1256,000-1260,000 p.a. (incl. housing). DM1260,000-1264,000 p.a. (incl. housing). DM1264,000-1268,000 p.a. (incl. housing). DM1268,000-1272,000 p.a. (incl. housing). DM1272,000-1276,000 p.a. (incl. housing). DM1276,000-1280,000 p.a. (incl. housing). DM1280,000-1284,000 p.a. (incl. housing). DM1284,000-1288,000 p.a. (incl. housing). DM1288,000-1292,000 p.a. (incl. housing). DM1292,000-1296,000 p.a. (incl. housing). DM1296,000-1300,000 p.a. (incl. housing). DM1300,000-1304,000 p.a. (incl. housing). DM1304,000-1308,000 p.a. (incl. housing). DM1308,000-1312,000 p.a. (incl. housing). DM1312,000-1316,000 p.a. (incl. housing). DM1316,000-1320,000 p.a. (incl. housing). DM1320,000-1324,000 p.a. (incl. housing). DM1324,000-1328,000 p.a. (incl. housing). DM1328,000-1332,000 p.a. (incl. housing). DM1332,000-1336,000 p.a. (incl. housing). DM1336,000-1340,000 p.a. (incl. housing). DM1340,000-1344,000 p.a. (incl. housing). DM1344,000-1348,000 p.a. (incl. housing). DM1348,000-1352,000 p.a. (incl. housing). DM1352,000-1356,000 p.a. (incl. housing). DM1356,000-1360,000 p.a. (incl. housing). DM1360,000-1364,000 p.a. (incl. housing). DM1364,000-1368,000 p.a. (incl. housing). DM1368,000-1372,000 p.a. (incl. housing). DM1372,000-1376,000 p.a. (incl. housing). DM1376,000-1380,000 p.a. (incl. housing). DM1380,000-1384,000 p.a. (incl. housing). DM1384,000-1388,000 p.a. (incl. housing). DM1388,000-1392,000 p.a. (incl. housing). DM1392,000-1396,000 p.a. (incl. housing). DM1396,000-1400,000 p.a. (incl. housing). DM1400,000-1404,000 p.a. (incl. housing). DM1404,000-1408,000 p.a. (incl. housing). DM1408,000-1412,000 p.a. (incl. housing). DM1412,000-1416,000 p.a. (incl. housing). DM1416,000-1420,000 p.a. (incl. housing). DM1420,000-1424,000 p.a. (incl. housing). DM1424,000-1428,000 p.a. (incl. housing). DM1428,000-1432,000 p.a. (incl. housing). DM1432,000-1436,000 p.a. (incl. housing). DM1436,000-1440,000 p.a. (incl. housing). DM1440,000-1444,000 p.a. (incl. housing). DM1444,000-1448,000 p.a. (incl. housing). DM1448,000-1452,000 p.a. (incl. housing). DM1452,000-1456,000 p.a. (incl. housing). DM1456,000-1460,000 p.a. (incl. housing). DM1460,000-1464,000 p.a. (incl. housing). DM1464,000-1468,000 p.a. (incl. housing). DM1468,000-1472,000 p.a. (incl. housing). DM1472,000-1476,000 p.a. (incl. housing). DM1476,000-1480,000 p.a. (incl. housing). DM1480,000-1484,000 p.a. (incl. housing). DM1484,000-1488,000 p.a. (incl. housing). DM1488,000-1492,000 p.a. (incl. housing). DM1492,000-1496,000 p.a. (incl. housing). DM1496,000-1500,000 p.a. (incl. housing). DM1500,000-1504,000 p.a. (incl. housing). DM1504,000-1508,000 p.a. (incl. housing). DM1508,000-1512,000 p.a. (incl. housing). DM1512,000-1516,000 p.a. (incl. housing). DM1516,000-1520,000 p.a. (incl. housing). DM1520,000-1524,000 p.a. (incl. housing). DM1524,000-1528,000 p.a. (incl. housing). DM1528,000-1532,000 p.a. (incl. housing). DM1532,000-1536,000 p.a. (incl. housing). DM1536,000-1540,000 p.a. (incl. housing). DM1540,000-1544,000 p.a. (incl. housing). DM1544,000-1548,000 p.a. (incl. housing). DM1548,000-1552,000 p.a. (incl. housing). DM1552,000-1556,000 p.a. (incl. housing). DM1556,000-1560,000 p.a. (incl. housing). DM1560,000-1564,000 p.a. (incl. housing). DM1564,000-1568,000 p.a. (incl. housing). DM1568,000-1572,000 p.a. (incl. housing). DM1572,000-1576,000 p.a. (incl. housing). DM1576,000-1580,000 p.a. (incl. housing). DM1580,000-1584,000 p.a. (incl. housing). DM1584,000-1588,000 p.a. (incl. housing). DM1588,000-1592,000 p.a. (incl. housing). DM1592,000-1596,000 p.a. (incl. housing). DM1596,000-1600,000 p.a. (incl. housing). DM1600,000-1604,000 p.a. (incl. housing). DM1604,000-1608,000 p.a. (incl. housing). DM1608,000-1612,000 p.a. (incl. housing). DM1612,000-1616,000 p.a. (

## The Executive's World

EDITED BY JOHN ELLICOTT

Bad weather, rough seas and technological problems all combined to hinder BP's record-breaking work on its £800m. North Sea oil field. RAY DAFTER reports on how it was managed with a small task force backed by specialists

## BP's race to establish the Forties

THIS IS THE YEAR that Britain starts to feel the real benefit of the North Sea oil exploration venture. Providing there are no more delays to development programmes, the amount of oil produced offshore of the U.K. should be worth about £800m. to the country's balance of payments.

Almost half of that revenue—some £400m.—will come from British Petroleum's Forties field and by next year output from this one field alone should be satisfying a quarter of Britain's oil needs.

The technological problems and achievements of this BP field have inevitably attracted most attention. Costing £800m., it has been one of the biggest single engineering projects undertaken in Britain. What is more, much of the essential work—positioning and installation of four large production platforms—was carried out 100 miles from land, in some of the most hostile conditions encountered by the oil industry.

And yet it was for its overall management achievement that BP was this year awarded the Queen's Award for Technological Achievement, recognising the teamwork work carried out by Mr. Matt Linnings, manager of Forties development, and the team built up around him.

Mr. Linnings emphasises the team spirit that was achieved. Many of those most closely associated with the project now sport a tie bearing "0001"—the number of the Department of Energy's certificate of fitness given to the first of the four Forties Field platforms.

It is estimated that at the peak period of development work more than 15,000 people were directly or indirectly involved with the project. BP's full-time management team rose to about 180 at one stage, although in the past five years many more specialists within the company were drafted in to give advice and assistance.

Indeed, this was the company's management philosophy. It had a fairly small project Boardroom was demanding to management team operating a reasonably autonomous task force which was able to call on the help from any of the functions within the organisation. Mr. Linnings can remember being asked to go to the States in 1971 by Mr. Alastair, BP's deputy chairman: "You have a pretty tough job. Don't come back in a few years' time and say that you have failed because you were short of a gas."

Mr. Linnings joined BP in 1969 from Kuwait Oil where he had been general manager. He has now been put in overall charge of U.K. exploration and production within BP Petroleum Development. Alongside him in the Forties team were project manager Mr. Tom Ingram, who had previously been project manager at BP's Grangebrook refinery, and the development manager, for several years Mr. Alan Baldwin.

Mr. Baldwin, one of the top technologists and consequently underestimated technical requirements in the early years. Bad weather and rough seas were a bigger hindrance than first thought and platform and equipment builders had new technological and labour problems to overcome. Designs had to be modified as the programme progressed.

The management team also took the brave decision of stationing up to 1,000 men offshore during the storm-battered winter months so that they might take advantage of any break in the bad weather. Millions of pounds were invested simply to achieve 50 days work within a six months period of 1974-75. As a result of that work, however, BP probably prevented a further year's delay to the start-up of the field.

The cost of the project would have been even greater if BP had delayed a decision to develop for two years and had the period of peak inflation, and had not kept a tight rein on spending. The management team's contracts committee was meeting twice a week during the busiest period. It had around 5,000 primary purchase orders to deal with and if this does not sound a particularly impressive number for an £800m. scheme, it should be remembered that one order could be for a platform structure or 120 miles of pipeline.

From the beginning BP worked closely with the Texan company of Brown and Root which was responsible for

designing and requisitioning the four platform production scheme. Although the contractors had a record of experience in offshore oil production in the Gulf of Mexico and other parts of the world they, too, realised they were extending their knowledge with the Forties scheme.

This was borne out when a model was tested in the laboratory tanks of Rice University, Texas. Under certain "sea" conditions it would not sink to

better control, greater flexibility and the cost advantages of built buying materials. "We had work in 60 different yards. If each of these had provided their own materials we would have had no control at all. I take the view that if the fault is mine, I can do something about it."

The policy bore fruit for within the space of 12 months—from mid-1974 to June 1975—all four platforms had been floated out. While Brown and Root was allowed a good deal of flexibility it was not allowed to forget that BP was in the driving seat with firm financial control. "For our part, we have learned a lot as a result of this contract. In order to manage a project of this magnitude we had to put together a very heavy team of very heavy people," said Mr. Stallworth.

Once again team work is emphasised. Although Mr. Stallworth makes no bones of the fact that "Matt Linnings was in charge. He was the dynamic force behind himself and everyone else."

In the past couple of weeks, a report from one of Britain's leading oil analysts suggests that if BP was given a chance to restart the Forties with the benefit of fast experience it would probably install only two or three platforms instead of four.

Mr. Linnings maintains, however, that he would use exactly the same production method—four platforms and a submarine pipeline—chosen five years ago. "We got it right first time. The thing which would be different now is the effect of inflation. In view of current inflation rates we would have to question whether we could afford to spend the capital. Forties was fortunate in that the main decisions were taken in pre-inflation times."

It is this impact of rising costs which is putting a question mark over many of the possible commercial prospects in the North Sea. Oil companies have not taken a decision to develop a new field for almost two years which adds emphasis to the importance of early Forties Field production.

Brown and Root decided to purchase all the materials for the project; the fabricators provided only the labour. This was a vital decision said Mr. Stallworth because it provided

for men and women comply with the current legislation? If the benefits are calculated actuarially we do not think that the provision of higher benefits for males is in contravention of the Sex Discrimination Act 1975.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

## 65 PENSIONS and BENEFITS

## Leyland unions' takeover bid

BY ERIC SHORT

TRADE UNION leaders at Leyland last week announced that they were seeking a fundamental change in the pension scheme established last September for hourly paid employees—a change which would enable the workers' representatives to exert more control over the investment policy of the scheme through making it a managed fund.

The move is one of the first examples of at least to be published of employees and their trade union representatives negotiating an active role in the running of company pension schemes. Since employers, particularly in the nationalised industries have, however, been reluctant to allow the running of their schemes in recent years.

Such participation by trade unions in pension schemes has been urged by Mr. Len Murray, TUC general secretary, and other prominent TUC officials as well as by the individual unions. But it is still the exception rather than the established practice and the demand from the unions for legislation to ensure 50-50 representation on the trustee board which runs the pension scheme.

The move by the BL unions presents a third function for trade unions in the pension field. The first is to negotiate the levels of benefit to be provided not only for retirement, but for death in service, payment to widows, sickness benefits and so on. This is a straight negotiation procedure between employers and unions, in much the same manner as wage levels and working conditions are dealt with. It took 18 months of bargaining to reach such a deal last year at BL and the unions are not at least for the present, seeking any monetary improvements.

The second function for trade unions is to discuss with employers how the benefits are to be provided. Now that the Government is introducing a comprehensive earnings-related State scheme, the balance has to be struck between what is provided by the State and the company. Regulations under the Social Security Pensions Act have imposed a legal obligation

on employers to consult with more active participation, hence the BL request to move to a managed fund. Here the life company runs several funds—equity, property, lived-interest or mixed on a unitised basis. The money in the scheme is used to buy units in the various funds which means that the trustees, in conjunction with the life company, have continually to decide how much to invest and where to put it. The tactical moves of which companies or property are chosen is still left to the life company running the funds. Trustees are however much more involved in decision making with such schemes and there has in the past decade been a steady change by pension schemes from insured to managed funds.

The entirely self-administered scheme is one which handles every particular aspect of its business—investments and communications with its members. The trustees are fully involved even if they do appoint a specialist investment manager who would be responsible direct to them. The trustees would be very much concerned in, say, a property development which a fund was financing.

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

on employees to consult with more active participation, hence the BL request to move to a managed fund. Here the life company runs several funds—equity, property, lived-interest or mixed on a unitised basis. The money in the scheme is used to buy units in the various funds which means that the trustees, in conjunction with the life company, have continually to decide how much to invest and where to put it. The tactical moves of which companies or property are chosen is still left to the life company running the funds. Trustees are however much more involved in decision making with such schemes and there has in the past decade been a steady change by pension schemes from insured to managed funds.

The entirely self-administered scheme is one which handles every particular aspect of its business—investments and communications with its members. The trustees are fully involved even if they do appoint a specialist investment manager who would be responsible direct to them. The trustees would be very much concerned in, say, a property development which a fund was financing.

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

The pensions industry fears that this degree of union participation would cause political considerations to influence investment decisions but this may not necessarily prove true—and in any case BL's own management are not unduly surprised or concerned about their unions' claim. In addition the experience of other companies which have employee representatives But such a scheme does not satisfy unions which desire a

## How can you keep an ear open for orders 24 hours a day?

## With Telex

As long as it's switched on, a telex can receive and type any incoming messages automatically. 24 hours a day, 7 days a week.

So messages will be ready for you at the start of the working day for you to refer to, act on or file.

Making a telex call is as easy as telephoning. Sending a message is as simple as typing a letter.

And telex can give you access to more than 50,000 businesses in the United Kingdom and 750,000 international telex customers, and it's growing fast.

All this makes telex a unique service—and one that can dramatically improve the speed and efficiency of business communications.

If you've not considered telex for your business, you could be making an expensive mistake.

Our business is to help your business communicate.

How can you find out about telex and your business?

## With this

SEND POST-FREE TO: The Telex Marketing Group, FREEPOST, London, EC2B 2TS.

I'd like to know more about telex. Please tick

Please send more facts.

Please send someone to discuss a telex installation for my business.

NAME \_\_\_\_\_

POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEX \_\_\_\_\_

Post Office FT3

Telecommunications

## BUSINESS PROBLEMS

BY OUR LEGAL STAFF

## No sex discrimination

We operate a "Sick Fund" to supplement the State Sickness Benefit for our work force. The scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

Under the terms of the Sex Discrimination Act 1975, the scheme is based with a major onus on the employer to provide insurance company and the company means paying a higher premium which are equal for male and female employees. The benefits under the Scheme are slightly higher for male employees than for female employees because the insurance company claim that the incidence of sickness is higher in the female group.

## Purchase and sale of silver

How is it possible for a U.K. resident, not a professional, to effect a purchase and sale of silver bullion subject only to capital gains, not income tax? Following the decision in Mr. Norman Wisdom's case in 1968 (Wisdom v. Chamberlain; [1968] 1 All ER 1021), it is likely that a second purchase and sale of silver by someone who had no use for the metal itself would be regarded as an adventure in the nature of trade, subject to

income tax. Whether the profit on a single transaction would be regarded as chargeable to income tax or to capital gains tax would depend on the particular circumstances of the acquisition, and in practice much would depend on the view taken by the tax inspector who dealt with the case, or the Commissioners who heard the appeal against the inspector's decision.

The answer to your question is that it is almost impossible for any purchaser of silver for which he has no use to be sure that he will not end up paying income tax on any profit which he may make on the deal.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Perfect on occasions



## BUSINESS MEETINGS\*AGM'S\*CONFERENCES\*MERGERS

Whatever the business occasion, the Connaught Rooms can provide the perfect social environment. Whether it's the anniversary occasion of an AGM or conference, the wedding of a manager, the "take over" of a liquidation or any business affair—we make it our business to see it honoured with the appropriate facilities, in impeccable style.

We have 26 rooms, each with its own character, from the tastefully informal to the unashamedly magnificent. They are designed to accommodate parties of 20 people to over 1000 with a standard of service that is positively nostalgic—whether for a pot of fresh coffee or a full, traditional banquet.

If you would care to let us know your tentative requirements, we'll happily send the appropriate details.

To: Business Services Manager, Connaught Rooms, 61, Queen St., London WC2B 5DA. Tel: 01-405 7811. Please send me your brochure and details of facilities available. FT/2/6/76

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_ Tel: \_\_\_\_\_

Connaught Rooms Very accommodating people

**BRITISH AND EUROPEAN PEWTER at Sotheby's**

A triple-reeded wiggles oak plate, by Richard Boyden, c. 1700, 8 inches diameter, sold on 17th July, 1975, for £320

For information and advice telephone or write to Vanessa Brett

**Sotheby's**

Sotheby Parke Bernet & Co., 34-35 New Bond Street, London W1A 2AA

Telephone: 01-493 8080 Telegrams: Abinitio, London Telex: London 24454

**Church's famous English shoes.**

MONTAGUE Available in Black or Brown Ranch Oxhide. £29.50

THE GRAND HOTEL BRISTOL LONDON

NOTICE IS HEREBY GIVEN THAT THE SOUTH STATION WATERLOO

NOTICE IS HEREBY GIVEN THAT THE SOUTH STATION WATERLOO

**Connaught Rooms**

A member of the De Vere Group

Very accommodating people

# THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS  
Head Office Editorial & Advertisement Offices:  
BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF  
Telephone Day & Night: 01-248 4000. Telegrams: Finantime, London  
Telex: 886341/2, 886387  
Fax Share Index and Business News Summary Ring: 01-246 5026  
Birmingham: George House, George Road, Birmingham B3 3QJ  
Dublin: 15 Phoenix Park, Dublin 15  
Edinburgh: 11 Hanover St., Edinburgh 1  
London: Park Lane, London W1  
Manchester: 100 Market Street, Manchester M1  
New York: 125 Broadway, New York 10038  
Paris: 15 Avenue de l'Opéra, Paris 75001  
Rome: 11 Via Veneto, Rome 00187  
Tokyo: 15 Floor, Nishi Shinjuku Building, 1-2-2 Shinjuku, Tokyo 162  
Washington: 1100 Pennsylvania Avenue, N.W., Washington D.C. 20004

WEDNESDAY, JUNE 2, 1976

## Curbing local spending

THE MOST critical problem in the financing of local government services at the present time is that of reconciling freedom for local authorities as autonomous tax-raising bodies with the responsibility of central government for the overall management of the economy. It has been brought to the fore once more by the latest evidence of excessive local spending. Returns submitted by the 455 councils in England and Wales suggest that they have been planning to spend in 1976-77 about £325m, or nearly 6 per cent. more in terms of constant prices than the ceiling agreed between the Government and local authority leaders last November when this year's rate support grant was settled.

Furthermore, the same returns show that the same authorities spent about £150m, or about 1.2 per cent. more in real terms in 1975-76 than was thought likely last November. It is therefore clear that, if the target of a standstill in real local spending this year is to be achieved, local councils will not only have to eschew further real growth but between them they will have to contrive real spending cuts of about 1.3 per cent.

**Resources**  
It may be asked why excessive local spending should matter if, as is very largely the case, any expenditure beyond the limits set for grant will be financed out of higher local rate calls. Unfortunately, over-spending by local authorities matters a great deal. In the first place, an increase in local rates may reduce private savings as well as private expenditure with the result that the total demand on resources from the public and private sectors together will be increased. Secondly, excessive spending by local authorities implies either a reduced share for central government or a reduced share for private consumption if the resources needed for exports and investment are not to be sacrificed; and any additional restraint on personal spending which arises from higher local rate calls is liable to impose even further strain on the public's acceptance

## Wobbling around the turning point

MOST economic forecasts—including the most recent, issued by the National Institute of Economic and Social Research—expect the fixed capital investment of manufacturing industry to be lower in 1976 as a whole than in 1975 but to begin turning up again in the second half of the year. The figures just issued by the Department of Industry for the first quarter are not inconsistent with this general expectation. Although it suggests that investment was then 2.2 per cent. higher, seasonally adjusted and in real terms, than in the previous quarter, there were special factors at work. One was the mildness of the winter, which probably goes a long way towards explaining an apparently sharp jump in building work; another was a high level of expenditure by the metal manufacturing industries. The Department itself points out that the first-quarter figure may be off target because of these special factors and it is probably as well to regard it as such for the time being. It would be surprising if industrial capital investment were to play a major role in the behaviour of the economy this year.

It is quite another matter when it comes to investment in stocks. Total stocks were run down quite heavily last year in line with the fall in output; indeed, the ratio of stocks to output has fallen. Stocks will have to be rebuilt when the business cycle turns up decisively; and stockbuilding, together with higher exports, are likely to be the source of most of this year's economic growth.

**Stockbuilding**  
The immediate question, about which the forecasters have different answers to offer, is how soon and by how much stocks are likely to rise. Working against a fast rise are the unexciting prospects for house demand and the high cost of credit. Working in favour are the buoyancy of export demand; the continuation of inflation at a fairly fast pace; and so far as imported stocks of essential

Harland and Wolff will resist mounting pressure in Whitehall for its closure.

# Political dangers feared if Belfast shipyard closes

WHAT HAPPENS when Harland and Wolff goes bust? Until recent weeks, the questions was "if" rather than "when," but with political pressure now growing in the Government for the Belfast shipyard to be sacrificed so that Britain's shipbuilding industry can be saved, closure looks increasingly a matter of time.

Economically, and therefore politically, the implications would be disastrous to Ulster. And for that reason alone the collapse of Harland and Wolff is something that Northern Ireland never believed could happen. In spite of Westminster's repeated warnings that there is no bottomless fund for bailing out the loss-making shipyard, Harland's closure still seems incredible to Ulstermen.

During the past month Ministers and senior civil servants at the Northern Ireland Office, which is responsible for the publicly owned yard, have been hinting that the original lease of life until 1978 given to Harland's is to be dramatically curtailed. The shipyard's managing director, Mr. Roland Punt, is scouring the world for new orders to tide the company over until the shipping market picks up in the early 1980s, but lawyers advising the Northern Ireland Office are concerned that fresh contracts would bring Harland and Wolff dangerously close to the conditions known as "fraudulent trading." Under the Northern Ireland Companies Act, as in Britain, it is illegal to incur debts when the directors "cannot take a reasonable view that these will be paid." With the £80m, "once-and-for-all" rescue fund set aside by Parliament for the yard a year ago running out fast, the shipyard's hands are tied. It requires new Government guarantees before taking on new orders, and those guarantees look less and less likely to be forthcoming.

## Ministerial visit

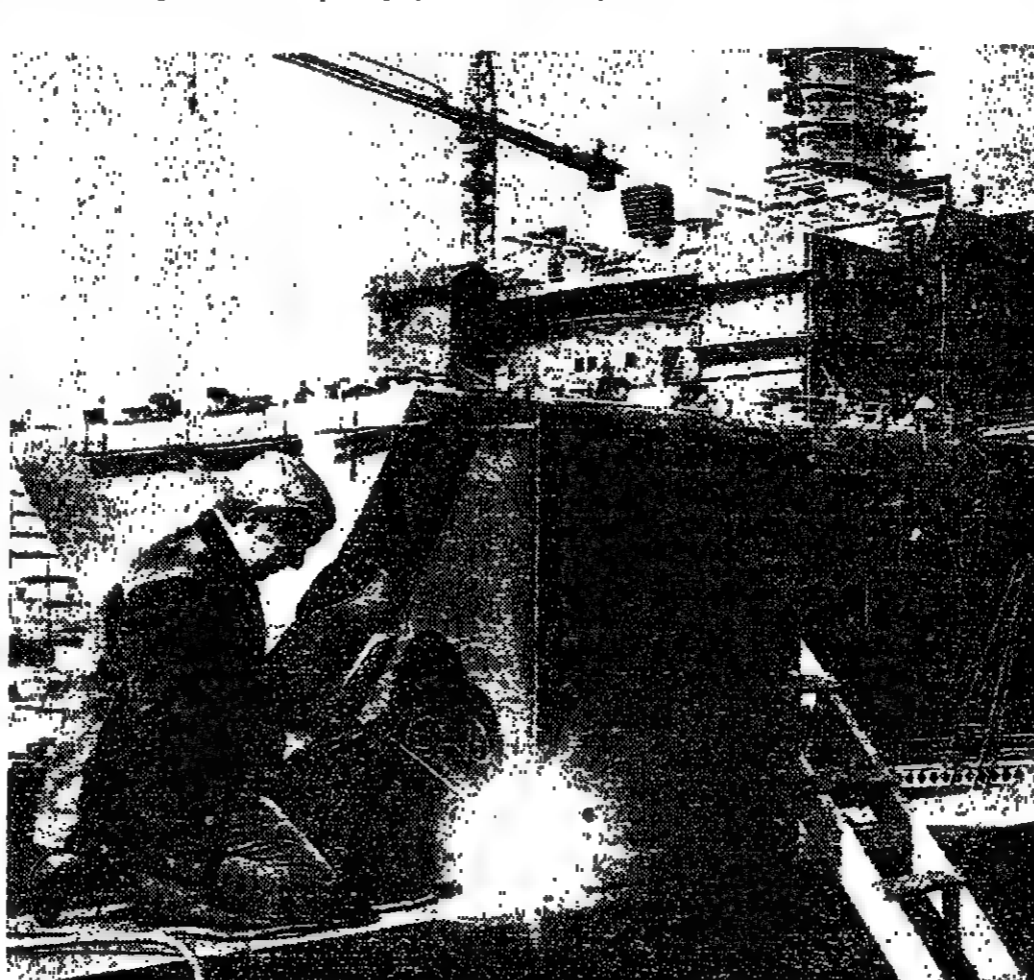
This Friday, the Northern Ireland Secretary, Mr. Merlyn Rees, accompanied by Mr. Roland Moyle, his Minister of State responsible for Commerce in Ulster, is due to visit Harland's. Originally the plan was for the two Ministers to be taken on a guided tour to familiarise themselves with the yard's operations. Following Mr. Callaghan's April reshuffle and the departure of Mr. Stanley Orme to the Department of Health and Social Security, Mr. Orme's responsibilities have been split, with Mr. Rees taking over the finance portfolio. The likelihood is, however, that Friday will see Harland's management demanding some straight talking from the two Ministers.

A fortnight ago, Harland's

new chairman, Sir Brian Morton, presented the British Government with detailed proposals for a programme of State-sponsored shipbuilding contracts that would keep the yard in work during the vital 1978-80 period. That is the hiatus between existing contracts and the expected upturn in worldwide shipbuilding demand. Until this week's apparently orchestrated "leak" from inside the Government indicated that closure is now on the cards during 1978, Sir Brian had clearly hoped that Friday's meeting would be the opportunity for an informal discussion of his plans.

It is, instead, likely to end in bitter wrangling over the Government's lack of consistency in its approach to Harland's—countered by the two Minister's charges that the ship-

yard's management stresses that the man-hours per vessel/ton used to measure output is misleading and that Harland's is not the inefficient operation it has been made to appear, and so is deserving of continued help. These arguments are also increasingly irrelevant. The question is not so much whether the Government can afford to keep Harland's going, but whether it can afford to shut it down. Northern Ireland is on a knife edge of political instability. With direct rule over Westminster already threatened by an economy that is moving from bad to awful, closing down Harland and Wolff could add a stroke double Ulster's high unemployment rate to 20 per cent.



One of Harland and Wolff's 9,500 men who would be unemployed if the Government closed down the yard. A recruit for the UDA?

yard, which in the last ten years has absorbed £137m. of public money, or half the total given to the whole U.S. shipbuilding industry, has proved itself totally incapable of attaining the productivity targets it has been set.

On both sides, the arguments are increasingly familiar. The British Government can reasonably claim that in the eight months since Mr. Orme gave the shipyard a Christmas deadline in which to double productivity or face a rapid run-down this year, Harland's weekly losses have actually increased beyond the £500,000

cripple Belfast to the point where commercial activity nears a standstill, and precipitate a political crisis that might dwarf Ulster's normally bloody troubles in significance. That argument is the shipyard management's trump card.

Harland's management has only slowly woken up to the point, but it is no coincidence that when the yard yesterday issued a statement rebutting Press reports of imminent closure, it carefully discounted the idea that its £10m-a-year marine diesel engines side could be hived-off from the £30m. shipbuilding side as a profitable

provide goods and services for each ship assembled by Harland's and the list of subcontractors shows a heavy bias toward companies based in Northern Ireland. From Bank Buildings, the much-bombed but indomitable Belfast department store, right through Ulster's engineering industry, the shipyard is a valued customer.

Mr. Orme, who was known to be deeply concerned at the prospect of Harland's failure, was given to saying in private that before taxation the group net profit was £1,000,000 compared with £1,700,000 in 1975. The correlation will add a further 5,000 skilled men to Ulster's jobless total of violence has long been evident

generating force on the Northern Ireland economy has ever been prepared, but a rough and ready projection would be that the yard's annual turnover of about £40m. represents many millions more in other activity created.

Because the shipyard is physically isolated in a corner of East Belfast, it has often been that its closure would transform the immediate area of narrow industrial revolution streets and back-to-back houses into ghost town, but that the hardship would be isolated, too. In fact, workers in the yard have moved steadily out to Belfast's new suburbs, where their relatively high wages of £60-£70 a week provide further pump-priming for local trade.

For Harland's management, the British Government's policy regarding the yard has been one of bewildering twists and turns. When Mr. Orme outlined the terms of his Christmas ultimatum to the Press, it came as a complete surprise to the yard's executives. Yet then it was never acted upon at the beginning of 1976, when Harland's efforts had nevertheless failed to boost productivity to the level laid down. Convinced that the Government had accepted that the terms of the deadline were impracticable, Harland's has been quietly getting on with its business of completing orders in hand while attempting to husband its dwindling £60m. In October only £13m. of that had been spent; to-day only £20m. remains.

During that time, the shipyard has apparently remained blissfully unaware of the pressures that Mr. Rees and the Northern Ireland Office have come under from inside the Cabinet and throughout Whitehall. Mr. Rees' senior civil servants at present negotiating the division of Britain's 1977-78 public spending budget are claimed to be contending with a widespread and bland indifference to Northern Ireland's problems, and Harland and Wolff has come to be the symbol of Ulster's thankless demands on the British public. Just what closure entails nobody seems to know; although for a start, redundancy payments alone could be upwards of £25m. As the yard pointed out yesterday, it still has ten shipbuilding orders on its books. Although some of these could no doubt be cancelled there can be little question of a dramatic shutdown. An accelerated rate of lay-offs of both manual and clerical workers as each order is completed was the Government's threat last October, but even a phased rundown carries alarming implications for Ulster's economy.

This summer's scheduled closures of Government Defence Establishments in Northern Ireland and at Rolls-Royce and Standard Telephones and Cables will add a further 5,000 skilled men to Ulster's jobless total of violence has long been evident

50,000, and political leaders like Mr. William Craig, the Vanguard Unionist MP whose constituency is East Belfast, have warned that even without massive lay-offs at Harland's the province's unemployment situation could reach a crisis level of 18 per cent. by the end of the year. Earlier closures during the past 12 months have already shut down around 50 companies in Northern Ireland, and taken up to £70m. out of the Province's economy. Whitehall now calculates that the subvention paid to Ulster will next year rise to around £900m. from the present £800m. level.

## Industrial decline

Given the size of the sums involved in the Government's efforts to maintain Ulster's living standards at the level of those of the U.K. in the face of the Province's marked industrial decline, Harland and Wolff's management clearly finds it hard to accept that its grants will not be forthcoming, especially when the adverse effects of the shipyard's failure will be out of all proportion to the cash involved. Inevitably, Ulstermen see the situation as coming down to politics and, more specifically, the politics of British withdrawal from Northern Ireland.

The original decision not to include Harland's in the overall nationalisation of the British shipbuilding industry naturally aroused resentment because the yard, with its improved facilities for building tankers, is complementary to the rest of the industry. Veiled suggestions from within the Government that saying Harland's would be at the expense of other shipyards are also rejected. If Ulster can detect any pattern in Westminster's approach it is that Britain is discontinuing its involvement with Harland's as a step towards severing its links with Northern Ireland.

The Province's militant Loyalist, smarting under the British Government's refusal to accept any devolved government that is not power-sharing and its consequent imposition of direct rule, are certain to see Harland's closure as a ready-made rallying call. The shipyard workers, traditionally represent the cream of Ulster's Protestant working class, and with their highly specialised skills many are virtually unemployable elsewhere. Although throughout the seven years troubles the yard has generally remained free of open sectarianism, the fear is that the newly redundant men from the yard, and from the yard's subcontractors, will willingly be mobilised by such paramilitary forces as the Ulster Defence Association. The correlation will add a further 5,000 skilled men to Ulster's jobless total of violence has long been evident

## MEN AND MATTERS

### Goodbye to the City Press

Eight months after being revamped as a "European business weekly," the 119-year-old City Press has ceased publication. It doubled as the oldest financial weekly paper and as a chronicle of the minutiae of City of London life, being taken over last year by Greek publisher Themistocles Vokos. Vokos, 37, said that he had decided to close City Press down after this week's issue mainly because his own ill-health meant he could not devote sufficient time to the enterprise. Circulation had remained static around the 12,000 mark. Vokos had originally intended a three-year development plan to raise readership significantly and make it as successful as his company's magazine Seatrade, which continues and flourishes.

The City Press decision came out of the blue for its 55-year-old editor, ex FT man Rob Hawkins. He said yesterday: "I heard about it at 11 o'clock this morning. There were no prior consultations."

Hawkins added he had been asked to stay with Vokos Publishing, but had decided to resign. Two of the seven staff journalists working in the three-storey Georgian building which is the Press's City office have also been offered other jobs with the company. Hawkins, having spent the end of last week at a City Press-sponsored conference on commodities which had proved a successful occasion, thought the paper "can still work." Vokos declared that it was closing "for the time being," but though activities like conferences will continue, the paper's chances of re-emerging look slim. As Hawkins said, City Press



"So that's their contribution to getting the licence fee raised to £231"

was owned by a "long and distinguished line of eccentrics," including at one stage the late Harley Drayton who harboured ambitions of turning it into a daily. Vokos acquired it from two financial journalists, Richard Lamb and John Hefferman. The new look last October led to greater concentration on the financial scene in a magazine-style format. The last issue, number 5549, concentrates on the UNCTAD talks in Nairobi, leaving an item about nominations for City sheriff to the back page. A neat summing up, perhaps, of the tricky business of tailoring news emphasis to the available audience.

### Dacey

On a happier note, Themistocles Vokos's family is involved in this month's Posidonia International Shipping Exhibition in Greece. He

Among the companies there will be Vosper Thornycroft and visitors to its stand will be given a specially created board game (and dice). Sounds like straining for a gimmick, but some of the squares on Vosper's ship repair game have a cheerful ring of truth. There are the expected puffs, like "Urgent dry dock repairs. Lucky you're with Vosper. Save £5,000." Then there are digs at the opposition: "Hurricane in Haiti. Lose one turn if repairing in U.S.A." But, with nationalisation creeping up, what about square 9? "Government overthrow. Lose one turn unless in U.K. where unpopular governments seem to thrive!"

### Santos of AIB

I had a bit of fun yesterday with the extreme brevity of the replies given by one banker on the subject of Brazil in a recent magazine article. Behind the questions, of course, was the serious point of Brazil's standing in the international loans market, a subject on which the London-based Atlantic International Bank takes a particular interest as it has lately come to concentrate on finance for Latin American countries.

An important role in that endeavour is now being played by a Brazilian who during the sixties was a familiar face in one important sector of the London business scene: Joao Santos, former secretary general of the International Coffee Organisation.

Santos did that job from 1963 to 1968. He left to be chief executive of the Inter-American Development Bank in Washington before switching back a couple of years ago to his home beat and private interests. He

has now, at 60, become Latin American representative of AIB, whose shareholders banks are Britain's Charterhouse, Japhet, Esau & Co., Napoli & Italy, F. van Lanschot of Holland, and Manufacturers National Bank of Detroit and Shawmut of Boston.

Santos trained as a lawyer and an economist in his native Rio de Janeiro, and first came to national prominence in the mid fifties when he served as an under secretary for industry and commerce.

From that, he moved to coffee. It is a commodity sometimes reckoned second only to oil in the value of worldwide trading (the total international figure is currently in the \$4bn. region) and the 40 or so exporters are mostly numbered among the under-developed nations. Santos laboured patiently during the late fifties to weld first the Latin American producers and then, gradually, those in other parts of the world into marketing agreements.

The breakthrough came when importers joined in. The International Coffee Organisation, headquartered in London, thus finally embraced 42 exporters and 25 importers. Santos was in charge for the first five-year agreement, collecting an ulcer in the process, and left for the U.S. after overseeing the negotiation of a new five-year agreement.

### Glug, glug

Why was Noah the greatest industrialist in history? Because he managed to float a limited company while the rest of the world was going into liquidation.

Observer

## Tronoh Mines Limited

Extracts from the statement by the Chairman, Mr. J. G. Richardson, for the year ended 31st December 1975.

Your company has had another profitable year although the record results achieved in 1974 were not maintained in 1975. The production of tin concentrate during 1975 amounted to 2,582 tonnes compared with 3,077 tonnes in the previous year. Mining costs increased by approximately 13%, due almost entirely to the substantial rise in the cost of electrical power, whereas the average net price received per picul of tin concentrate fell from \$870 to \$571. The group profit before taxation totalled £2,167,000 compared with £4,233,000 in the circumstances the group net profit of £1,001,000 compared favourably with the 1974 profit of £1,764,000. Times like these serve to highlight the advantages of the group policy of investing in other tin mining companies.

The company paid two dividends which totalled 4.28p per share (1974: 4.02p).

During the current year the decline in output has continued, mainly because of the fall in grade of the ground scheduled for mining. Since it is unlikely that last year's production levels will be matched in 1976, and taking account of the continuing rise in mining costs, improved results for the current year depend largely on an increase in the tin price.

Regrettably no further progress has been made on the development of the new mining property in the Perak State final agreement on the respective participations in the venture by the State authorities and your company. Further development of the South Selangor Joint Venture in which Tronoh has a 9% interest (with a possible increase to 12.5% at the feasibility stage) has also had to be postponed pending agreement with the senior partner, The Selangor State Development Corporation, concerning the provision of its proportion of finance for the project.

The partners in the Thailand offshore joint venture have decided that operations should be suspended for the time being on account of political uncertainty and the project was placed on a care and maintenance basis with effect from 1 January, 1976.

Financially the year has been a difficult one for the Malaysian tin mining industry, with distributable income being reduced by a restriction on sales, payment of buffer stock contributions, increased mining costs and high interest rates. Fortunately, the world economy has improved in recent months, demand for tin metal has increased slightly and the price is recovering. Nevertheless, in view of the increased capital costs required to equip a new tin mining property and bring it to the production stage, the high cost of money and the ever increasing operating costs, I believe that a substantial and permanent increase in the tin price in real terms will be necessary to enable producers to meet the needs of world consumers in the future.

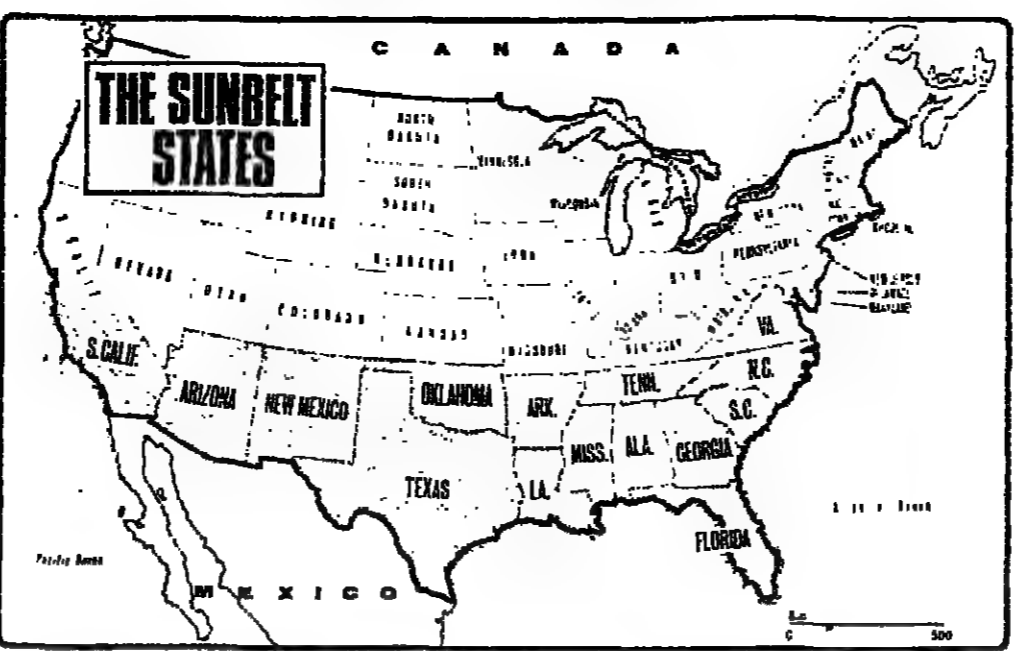
Copies of the Chairman's statement, together with the annual report and accounts are obtainable from the Registrars, Tronoh Mines Ltd., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

if

The new strength of the Sunbelt States

NASHVILLE, Tennessee — It seems likely that the move. The Americans are blent with an advantage that we British can only envy: they can emigrate without leaving the country. The population of the 13 "sunbelt" States shown on the accompanying map has grown by some 60 per cent. since 1950, compared with a growth of around 32 per cent. in the rest of the Republic. The fundamental reason for this is that millions of people have decided, not irrationally, that they would be better off in Southern California, or Florida, or Arizona, or even Tennessee, while a number of very large companies have followed, or led, the migrants into the apparently greener pastures.

The explosive development of Houston—not to mention Dallas-Fort Worth—in Texas is by now a well known story: what we who are confined to a few small islands off the European coast can only regard with open-mouthed wonder is the comparable growth elsewhere: in Phoenix, Arizona, and New Orleans, Louisiana, and unheard of places like Sarasota, Florida. The Greyhound Corporation, has moved its headquarters from Chicago to Phoenix; Simmons Mattress has, in the horrible American usage, "relocated" from Manhattan to a sort of country estate near Atlanta, Georgia. The Huxley Corporation, which makes equipment for the pulp and paper industry, has taken its previously split management offices down from Connecticut to New York to an 85-acre site just north of Raleigh, North Carolina. During the decade 1964-1974 the number of companies in Fortune's list of 500 that are based in the South and the West has risen from 75 to 112.



It is within easy reach of these, Nashville was the final choice after much searching. It is however only one example among several dozen. The company found that most but not all of its financial services could be met locally; other companies say much the same. Nashville has some surprising financial strength: 14 insurance companies with combined assets of \$2.9bn., most of it controlled by National Life and Accident, which owns "Opryland," a Tennesseean version of Disneyland which is attracting nearly 2m. paying visitors a year. The strength of competitiveness of the local banks is remarkable in anyone who has never previously thought of Nashville as anything but a country music town. The industrial infrastructure is strongly developed: apart from TVA's tower the incoming consumer durable makers Carrier air conditioning, Chrysler, Firestone, Dupont can build on the industrial traditions of the outgoing clothing and footwear manufacturers.

For many companies the primary attraction of the South must be its thriving business climate. Unions are weaker down there, taxes are lower, and in many places economic growth is regarded as a greater value than protection of the environment. "You do not feel like a social outcast if you want to make a buck," I was told by one migratory capitalist. In direct contrast, others pointed out that if you are prepared to take less pay in return for a quieter, more nearly rural life, the "Sunbelt" is the place to go. We in Britain have people who must long to migrate for either in their new investment plan or in their new life. But it is those lucky Americans who have the chance to do it.

**Industrial decline**

Given the size of the country, the Government's efforts to maintain living standards at the level of the U.K. in the "sunbelt" States are a Herculean task. The industrial decline, the "rust belt" of the north-east, is a management failure. It is hard to accept that the failure will be out of all proportion to the cash inevitably. Unemployment is coming to politics and, more and more, the politics of Britain, drawn from Northern Ireland. The original decision to build the industrial infrastructure, the yard, with its facilities for building complementary to the industry, is being questioned. The yard, with its facilities for building complementary to the industry, is being questioned. The yard, with its facilities for building complementary to the industry, is being questioned.

**Powerful**

Yet some Americans are taking to the "Sunbelt" idea as a serious political and economic development, and as outsiders, we cannot absolutely discount it. Time magazine recently devoted several pages to an article about "Americans on the move"; Fortune has discussed at some length, the reasons for the migration of corporations; Business Week has devoted a special report to "The Second War between the states" and both the New York Times and the Wall Street Journal have devoted a series of articles to the subject. A Mr. Kirkpatrick has aroused a great deal of attention with his recent book entitled "Power Shift: The Rise of the Southern Rim and Its Challenge to the Eastern Establishment"—which suggests that the area that was formerly known as a bulwark of conservatism is now becoming an increasingly powerful defender of Right-Wing conservatism. I would grant the power-funding current Presidential aspirants both Mr. Reagan and Mr. Wallace can be said to come from the "Sunbelt"—but perhaps not the conservatism, for after all the liberal Democratic hopeful Mr. Morris Udall is from Arizona and the onetime Mr. Jimmy Carter is of course from Georgia.

If Mr. Carter becomes the Democratic Party's candidate for President we will certainly hear a great deal about the "new South" and its resurgent power and influence in the nation. It also seems very likely that the Southern region (not including Southern California or Arizona) would vote fairly solidly for one of their own.

**Instructive**

This company's reasoning is instructive. It has plants in 11 states and was revamped by a new chief executive in 1972. "Why are we in Chicago?" he asked, so they looked around the centre of the map of their markets. Most of the money was in their new investment plan or in their new life. But it is those lucky Americans who have the chance to do it.

Higher costs all round

From the Sales Director, London, Western Industrial Minerals. Import industrial minerals from our factory in Holland. The products come in powder form, packed in 50 kg paper bags, stacked on pallets, and shipped 30 tons at a time in specialised containers or on flatbeds. All very simple and straightforward.

We were told on May 28 that one of the flats on arrival in Birmingham, has been selected by Customs and Excise for "turn out" which means that the entire load has to come off, be inspected and put back on again. All this is to make sure that there are no bottles of Dutch gin hidden between the bags.

Fair enough, but from experience in our works, we know that lifting 30 pallets off, putting them on the ground, counting the bags and repacking them on the flat, takes less than half an hour. The cost of the operation should therefore be no more than £10 but somehow it is going to cost us £12 because of the standard charge laid down by Tor Line which, as carrier and operator of the container, base, is responsible to Customs and Excise. We have of course no option but to pay up and shut up because shipping the flat back to Holland costs more.

Customs and Excise claim that they are entirely within their rights and that they inflict this modern form of Turpinism on one out of every 30 containers passing through. We have been refused permission to have the flat unloaded under Customs large supervision at our warehouse a few miles outside Birmingham, and even though we would be glad to pay their travelling fees, they refuse to let us have the flat.

What is utterly galling is that that apart from suddenly being held to ransom for £12, which is of course a straightforward loss, the "inspection" can take anything up to 14 days, which means our customers will be kept waiting unless alternative measures are taken to supply them, which means even higher costs all round.

If this is meant to be a kind of import control on the quiet, we can see the logic, but it will inevitably push up the cost of imported goods.

J. M. Jossira, Roseville, Chester, Newcastle, Staffs.

Letters to the Editor

These footprints would bring nothing but catastrophe. Added to this only 38 per cent. of those who voted support the present Government. Businessmen are well aware that proportional representation favoured by Liberals would halt nationalisation and preserve the unity of the U.K. much more effectively than voting Tory.

M. R. D. Gifford, Penryn, Cornwall.

Inflation accounting

From the Chairman, Brooks Cleaners.

Sir,—I was much heartened to see your report (May 20) of the concern now being publicly expressed concerning the Institute of Chartered Accountants' "official" policy on accounting for deferred taxation.

This matter has been a source of some disquiet for some years now to a minority—but nevertheless a substantial minority—of businessmen and corporate accountants.

As a chartered accountant, and one who has learnt the hard facts of business in practice rather than in observation from the sidelines, may I heartily endorse the comments offered by your reader, Mr. Ralph Instone, in his letter of May 24. Not all chartered accountants think as does the Accounting Standards Committee: indeed some of us must wonder whether our profession, as a whole, is working for its clients or for the Inland Revenue.

R. S. Brooks, Ashley Vale, Bristol.

The CBI as a politician

From the Chairman, Executive Search International.

Sir,—May I add to my accusation (May 21) that the CBI is a politician unrepresentative of the rank and file of its members that Professor Innis Macbeath (May 28) is an academic out of touch with the real world. Economists, as a whole, are working for their clients or for the Inland Revenue.

R. H. Stothert, A. C. Barr and Co., North Road, Atherton, Manchester.

Give it to the miners

From Mr. A. Scott.

Sir,—Although sterling is in a very sorry state, the fact remains that in Europe we are the best endowed in resources of fuel. If we order things right, we may even have the last laugh.

Apart from oil and gas, we also have substantial reserves of coal, especially at Selby and in the Midlands. What worries many people at home and sceptical foreigners is whether we can mine the coal efficiently. Private enterprise was not a success and public ownership leaves much to be desired. The miners are very independent and tenacious and they should be treated as such. Why should they beg, threaten and coerce governments when they could really be independent and stand firmly on their own feet?

As an alternative to public ownership the various areas could be separate corporations owned entirely by those who work in them. The public purpose could provide capital at a reasonable rate of fixed interest, but profits would be entirely at the disposal of a board elected by the workforce. There could be a type of equity shares given on a basis of status and length of service. Old miners on the surface and receiving a lower wage would not lose any shares. The industry could maintain a joint research unit to prospect and keep it up-to-date. There would be much more efficiency and the miners would be got off everyone's backs. Mr. Scargill could no longer employ the tactic of telling us that his members' standard of living is falling. They are not alone.

A. H. Scott, 102 Beeches Road, Chelmsford, Essex, CM1 2RX.

Gas-cooled reactors

From Mr. H. Hunt.

Sir,—Your leader and article of May 25 gave prominence to Professor P. D. Henderson's conclusion in his stimulating lecture at University College that the investment in five advanced gas-cooled reactors has been a "waste of resources." Professor Henderson reached this conclusion by comparing the AGR's we now have with the hypothetical light-water reactors of U.S. origin that appeared in 1967 to be the alternative. He freely acknowledged that it is impossible to determine how much excess cost or delay might

To-day's Events

**GENERAL**  
Figures of U.K. official reserves for May issued.  
National Economic Development Council meets.  
Mr. Gerald Kaufman, Minister of State, Industry, meets Mr. Marcel Cerdas, French Transport Minister, to discuss possibility of full British participation in European Airbus consortium, Paris.  
International Monetary Fund holds its first auction, Washington, to raise money for new trust fund for developing nations.  
CBI Smaller Firms Council meets.  
Lord Inland of Bankside, president, Council of Engineering Institutions, addresses delegates at third annual assembly of Engineers Registration Board, Institution of Civil Engineers, S.W.1.  
Sir Alan Pinner, chief executive, City of Westminster, and president, Society of Chief Executives, addresses Society's annual conference, Bedford Hotel, Brighton.  
Union of Construction, Allied Trades and Technicians conference, Scarborough.

Whose words of wisdom?

From Mr. P. Stephenson.

Sir,—You print (May 26) a letter from Mr. J. H. Brooke heading "Words of wisdom" repeating the often-quoted list of sayings by Abraham Lincoln such as "You cannot strengthen the weak by weakening the strong" and "You cannot help the poor by destroying the rich." But where and when is Lincoln supposed to have said or written these things? I doubt if I have always understood that they were a concoction by a right-wing American political writer of the late 19th century, named off by him as "words of wisdom" in memory and prestige of the man who talked of "Government of the people, by the people, for the people."

Peter Stephenson, 28, Belrose Park, N.W.3.

Accounting standards

From the Director, International Centre for Research in Accounting.

Sir,—How ironic that the letter from Mr. Instone (May 24), criticising the attempts of the accounting profession to improve standards of financial reporting, should be addressed from Lincoln's Inn.

If members of the legal profession were less rapacious and exhibited more diligence and efficiency in serving the public good, that profession might well have spared the indignity of having its activities investigated by a Royal Commission.

Mr. Instone might also care to reflect upon the fact that the Chairman of this Royal Commission is a very distinguished accountant, Sir Henry Benson, who has devoted himself in the last couple of years to the successful establishment of the International Accounting Standards Committee.

Accountants need no lessons from lawyers (or, at any rate, from British lawyers) on how to raise the quality of accounting standards, and it will be a sorry day for the commercial life of this country if the standards programme ever falls into the slough prescribed for it by Mr. Instone in his letter.

Edward Stamp, University of Lancaster, Gillow House, Bailrigg, Lancaster.

Now NatWest Bahrain takes off.

We have upgraded our Bahrain representative office into a branch.

We can now provide an enlarged range of international banking services, specifically designed for those who do business with, or in, the vitally important areas of the Gulf and Arabian Peninsula.

For more details please contact:  
Ted Nightingale, Senior International Executive for Africa and the Middle East, National Westminster Bank, St. Helen's, 1 Underhill, London E.C.4, U.K. Telephone: 01-257 9100, Telex 888763, Cable: NATWESTANMO.

Or, in the Gulf area, call John Moore now in the new premises of:  
National Westminster Bank Bahrain Branch, Suite 102-3, Sidi Aladdin Building, Manama, P.O. Box No. 820, Bahrain. Telephone: 55112 and 55506, Telex: GJ8294, Cable: NATWESTANBAHMAN.

National Westminster Bank

Serving the world.

ies Limited

ment by the Chairman for the year ended 1975.

Other problems near and far in 1974 were not minor.

revenue during 1975 amounted to £3,077 (compared with £3,077 in 1974) and the net profit was £1,000 (compared with £1,000 in 1974).

be decline in output has fallen in the last 12 months and is unlikely to rise in 1976, and taking into account the increase in the cost of raw materials, the price received for the product is likely to fall.

agress has been made to a property in the Port of London, which has a 70% interest in the property. Further, the company has a 10% interest in the property. The company has a 10% interest in the property.

nd offshore joint venture is to be suspended for the time being and the project is being re-evaluated. The project is being re-evaluated.

# COMPANY NEWS + COMMENT

## Northern Foods well ahead at halfway

AS EXPECTED, pre-tax profits of Northern Foods, at £3.5m for the half year ended March 31, 1976 are well ahead of the £2.9m for the corresponding period last year. Turnover improved from £41.5m to £48.5m.

Current figures are encouraging and indicate a significant improvement for the year over the record £10.5m of 1974-75.

The first half profit includes a contribution from Clover Dairies for six months, as if that company had become a group member on October 1, 1975, from which had been deducted full cost of servicing the purchase consideration.

Stated earnings per 25p share are 3.6p (2.24p adjusted) and the net interest dividend is again 1p—the previous final was 1.52p.

### HIGHLIGHTS

Lex devotes the bulk of the column to a general look at the underwriting scene. Also covered is the first half performance from Northern Foods where profits are well up helped by an acquisition, recovery in baking and a good six months for milk. Record profits are forecast for the year. Elsewhere, McCorquodale has had a poor first half reflecting losses in the U.S. as well as in Brazil. Stripping out the effects of duty increases leaves Martin the Newscart with volume shortfalls in most facets of its business. J. Smart is looking for sound growth this year but the long awaited recovery at Brigray is still some way off.

## Improving trend for Brigray

For the year ended January 31, 1976, the Brigray Group of garment and knitted fabric makers reports a loss of £104,889 compared with a £66,973 deficit in 1974-75. Sales were steady at £2.07m.

Compared with the first half, when a loss of £108,570 (£32,664 profit) was reported, the improved results for the second six months were influenced by special factors, especially the curtailment of loss making activities the directors say.

At the same time the expansion of the main clothing factories is showing in improved sales.

British Credit Trust new business is running at higher levels than the national trend. The cash flow is strong and substantial capital investment is adequately covered by self-generated funds.

The integration of Clover Dairies is progressing well but full benefits will not be realised until next financial year, the chairman says.

### LAWSON CHANGE

A proposal is being put to the shareholders of the Lawson Scottish Resources by the managers that the name be changed to Lawson Growth. The greater flexibility will enable the managers to invest not only in the U.K. as a whole but also in other parts of the world such as Hong Kong and the Far East.

making a maximum permitted total of £3,517,049 against £2,560,939.

### comment

J. Smart is aiming for a 1975-76 trading profit increase of 73 per cent, which reflects a high level of contract completions during the year. However, the group, which takes most of its profits on completion, does not anticipate that this growth rate will continue for very long. Around 60 per cent of the turnover is concerned with local authority work and new orders here have slowed down considerably in the last few months. The group is hoping to offset this by building up its private housing side where demand has so far shown no signs of weakening. This should keep profits moving ahead beyond the current year and, with few resources now well in excess of the £1.3m, in the last accounts, the shares at 40p, to yield 10.4 per cent, appear on fairly solid ground.

Statement Page 23

## Morgan Crucible liquidity

NET LIQUID funds of Morgan Crucible increased by £6.2m, in 1975 compared with a decrease of £1.3m, in the previous year. Short-term deposits showed an increase from £9.4m to £14.8m, while overdrafts were down from £7.1m to £4.7m.

In 1975 the group had a good fourth quarter and profits, before tax, finished the year at £5.93m, against £6.25m.

For the first quarter of 1976 an increase from £1.09m to £1.41m in profit has already been reported and the chairman Mr. Ian Weston Smith said that he expected progressive improvements in demand to increase profits throughout the remainder of the year.

In the carbon division Morganite Midway has been merged with Mercurite Incorporated. With the improvement in the U.S. economy the directors look forward to substantially better figures in 1976.

Thermic subsidiaries in Europe have been subject to a particularly difficult business atmosphere. Their results were poor but they will quickly take advantage of opportunities for expansion as trade recovers.

In the international division orders for 1976 are healthy, especially for the carbon and thermic divisions.

## J. Smart expects at least £1.4m.

TAXABLE PROFITS of J. Smart and Co. (Contractors) are estimated to be up from £124,452 in 1974 to at least £1.4m, in the year to July 31, 1976. This is after allowing for a loss of £10,000 on view of investments (£28,320 profit).

The directors state that the group has had a successful year with completions running at a high level. Turnover is expected to be up.

The interim dividend is raised from 0.81p to 1.10p net—member holding about 30 per cent of the shares have waived this dividend. A final of £3,517,049 is forecast.

No dividends are being paid.

### DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div. for year	Total for last year
James Dawson	3.17	July 26	3.17	4.42
Estates and General	0.2	—	1.76*	2.76*
Firmen and Sons	2	—	9.3	7.5
Laughton and Sons	2	—	—	12.75
McCorquodale	4	Aug. 2	4	3.91
Martin Newscart	1.09	July 3	1.51	2.53
Northern Foods	1	Aug. 27	1	2.96
Renong Tin Dredging	1.37(a)	June 28	0.82	—
J. Smart	0.9	—	—	—

Dividends shown pence per share net except where otherwise stated.

\*Equivalent after allowing for scrip issue. (a) On capital increased by rights and/or acquisition issues. (b) Gross throughput.

## Martins slowdown at midway

FOR THE half year ended March 28, 1976, profits before tax of Martins the Newscart rose 3 per cent from £1.11m to £1.13m. Sales, excluding VAT, were up 26 per cent to £2.72m.

Stated earnings per 25p share were 10.4p (10.40p). The net interest dividend is lifted from 1.80p to 1.99p—the total in 1974-75 was 3.90p net per share on profits of £1.85m.

The directors say the slowdown in profit growth in the first half which was also affected by disappointing sales should be temporary. The underlying strength of the group together with expansion plans should bring profit growth back on course.

The 19 branches likely to be purchased in the current year are all existing conventional newsagents. In addition the directors are currently negotiating for the purchase of a further six which should start contributing to profits early in the next financial year.

The 17 new sites expected to open during the current year comprise five conventional newsagents, six medium-sized stores in main trading positions and two general stores.

Profit from new sites—some 40 branches opened over the past two years—has been affected by economic conditions, including the slowing down of building development. Directors however, expect a material contribution from them in the next two to three years of opening.

With regard to expansion for 1976-77, new site development will be considerably less than over the past two years. Directors will be concentrating on the purchase of existing shops both on good estates and in main centre positions in smaller towns. They will also be redeveloping a number of existing branches.

### comment

Taking out some 10 points of Martins' 24 per cent, sales growth for duty increases underlines the

volume shortfall that was evident in newspapers, periodicals and confectionery. Meanwhile trading margins came under pressure, dropping a point to 4.2 per cent.

—a reflection not only of higher overheads and customer trading down, but also the extra time needed during a period of recession for new sites to reach profitability. So pre-tax profits have risen by only 3 per cent. Yet Martins now reckons that the slowdown in sales growth will bottom out during the year to next September, and from then on the company is looking for volume to start increasing again. In the meantime any profits increase this year is bound to be modest, though at 134p the prospective maximum yield of 5 per cent, already covered more than twice by interim earnings, is not particularly cheap for the sector.

## £45,000 payment by French Kier

A FORMER director of French Kier, the civil engineering, building and property development group, received compensation for loss of office of £45,000, according to the latest report and accounts for 1975.

Mr. W. J. Braby, the finance director of W. and C. French prior to its merger with J. Kier, was voted off the main Board of French Kier at the annual meeting on June 27, 1975. He subsequently resigned as a director of certain subsidiaries and finally left the group at the end of October, 1975. Mr. Braby had about eight years of his services contract left to run.

As reported on p. 18, together with a full preliminary statement, there was a group pre-tax loss of £1.99m, (£2.96m) in 1975. A return to a modest profit in the current year was indicated.

The auditors have qualified the accounts for 1975. They refer to land and certain properties held for development and certain completed commercial developments valued by the directors at £1.24m. The directors do not consider it would be helpful to obtain professional valuations of these assets and the auditors "are therefore unable to satisfy themselves that they are stated at realistic value and net estimated realisable value."

Meeting, Walder Hotel, June 25 at 11 a.m.

## Francis Inds. sees good first half

THE CHAIRMAN of Francis Industries, Mr. D. M. Saunders, told shareholders at the annual meeting that the first five months of 1976 had been a continuing improvement in the trading activities of all group companies following the modest recovery in demand experienced in the final months of the last financial year.

Mr. Saunders said that "for the first quarter of 1976 management accountants indicate that profits before tax of £1m. have been achieved." He added that this constituted a record for the group.

The Board are hopeful that the group would achieve its highest ever level of profits in the first half of the year.

## Lindsay & Williams loss is £90,336

A forewarned, Lindsay and Williams incurred a one-half loss of £90,336 for 1975 against a profit of £220,462 for the previous year. At midway the loss was £21,100 compared with a profit of £28,616.

The yearly loss per 25p share is stated at 2.23p (earnings 11.1p) before extraordinary items and at 12p (earnings 15.3p) after such items. There is no dividend against a total 3.00p net for last year.

The major reason for the loss was the collapse of the cable market, especially during the second half.

Although the new directors are not prepared to forecast 1976 results, internal management accounts show initial signs of better results in both orders and profitability, especially in exports, they say.

They instituted a programme that includes overhead reduction, closure of loss making subsidiaries and restructuring of management.

Salient figures from the accounts (for each ordinary share of 50p)

1973 1974 1975  
Group net assets 136.90p 157.50p 175.43p  
Earnings after tax 16.18p 26.95p 17.74p  
Net dividend 4.31p 4.68p 5.09p  
Capital expenditure including associates 16.04p 25.73p 29.55p

## McCorquodale hit by U.S. losses

REFLECTING A substantial loss of £2.33m, the U.S. offshoot Falconer, by the U.S. offshoot Falconer, group pre-tax profits of McCorquodale, the printing and stationery concern, slumped from £1.41m to £0.52m in the half year ended March 31, 1976.

The Falconer loss was due to a combination of heavy development costs and production and administrative problems. Strenuous steps are being taken to improve the performance of this company, and major changes have been made in structure and control, the directors explain.

The pre-tax total includes contributions from associates down from £243,000 to £79,000. This reflects the poor performance of Interprint Impressora in Brazil, which will not show an improvement until 1976-77, they explain.

In a period of difficult economic conditions the group's other activities both in the U.K. and overseas have traded reasonably. The group is in a strong position to respond to any increase in the activity level.

Turnover 1973-74 1974-75 1975-76  
Sales 1,200 1,200 1,200  
Share of profits 1,200 1,200 1,200  
Other income 1,200 1,200 1,200  
Interest 1,200 1,200 1,200  
Share of profits 1,200 1,200 1,200  
Pre-tax profits 1,200 1,200 1,200  
Taxation 1,200 1,200 1,200  
Net profit 1,200 1,200 1,200  
Extraordinary items 1,200 1,200 1,200  
Earnings 1,200 1,200 1,200

### ISSUE NEWS

## Local loans at 12 1/4%

The coupon rate on this week's batch of local authority yearling bonds is up from 11 1/4 per cent, last week to 12 1/4 per cent—a rate not seen since last October. The bonds are due on June 8, 1977 at par.

This week's issues are: London Borough of Enfield (£1m), Suffolk Coastal District Council (£1m), Thurrock Borough Council (£1m), Wirral Metropolitan Borough Council (£1m), Borough of Cynon Valley (£1m), Greater Manchester Passenger Transport Executive (£1m), Rhondda Borough Council (£1m), Walsley County Council (£1m), North Devon District Council (£1m), Beaconsfield District Council (£1m), City of Liverpool (£1m), Greater London Council (£1m), City of Dundee (£1m), City of Glasgow District Council (£1m), City of Leeds (£1m), Birmingham District Council (£1m).

The directors have qualified the accounts for 1975. They refer to land and certain properties held for development and certain completed commercial developments valued by the directors at £1.24m. The directors do not consider it would be helpful to obtain professional valuations of these assets and the auditors "are therefore unable to satisfy themselves that they are stated at realistic value and net estimated realisable value."

Meeting, Walder Hotel, June 25 at 11 a.m.

Philip Hill Investment Trust has arranged a multi-currency loan facility of U.S.\$3m to finance portfolio investment abroad, primarily in the U.S. It is intended to draw the facility in June 24, 1976.

## TYSONS (CONTRACTORS) LIMITED

Results for the year ended 31st December, 1975

	1975	1974
Group Turnover	12,862,925	8,217
Group Profit before Taxation	742,083	601.7
Taxation	400,716	311.0
Group Profit after Taxation	341,367	290.7
Dividend	96,250	57.3
Retained in Group	245,117	233.4
Earnings per Share	6.83p	5.9

The Annual General Meeting of the Company will be held at the Atlantic Tower Hotel, Chapel Street, Liverpool on the 28th May 1976.

The proposed First and Final Ordinary Dividend will be paid on the 25th June, 1976 to Shareholders on the Register at the close of business on the 28th May, 1976.

## Greenaways/Sorg

Daniel Greenaway & Sons Limited are pleased to announce their association with the Sorg Printing Company Incorporated, New York, Los Angeles, San Francisco and Chicago.

This association will be of great benefit to our many clients in our rapidly expanding international business.

Both companies are established leaders in the field of financial and commercial printing.

GO Sorg

Daniel Greenaway & Sons Limited  
Greenaway House  
132 Commercial Street  
London E1 6NF  
Telephone: 01-247 4343

also:- Manchester Edinburgh Paris.  
Sorg Printing Company Incorporated  
80, South Street  
New York  
NY 10038  
Telephone: 212 943 3040  
also:- Los Angeles, San Francisco, Chicago

## Lead Industries Group

Subsidiaries and associates manufacture metals, titanium pigments, paints, ceramic supplies and other chemicals in the UK and other European countries, Australasia, South Africa, India and Canada.

## Group

Extracts from the annual statement to shareholders by the chairman, Mr. A. S. Davies, C.A.

### 1975 operations and financial result

The Group profits before tax in the last three years were as follows:

	1973	1974	1975
Profits excluding associates	£6.3m	£10.6m	£8.4m
Proportion of associates	£5.9m	£10.7m	£5.3m
Profits before tax	£12.2m	£21.3m	£13.7m
Net profits after tax and minorities	£5.9m	£9.8m	£6.5m

I said last year that in view of the exceptional worldwide conditions during the first half of 1974, it would probably be more meaningful to compare the results for the first half of 1975 with the corresponding period in 1973. In the event, 1975 as a whole showed an improvement of about 12% against 1973. In all the circumstances, this result reflects credit on the Group. In 1975 practically all products were affected by the recession: some first faced a marked reduction in demand in the second half of 1974, others were comparatively little affected until a year later. In the closing months of 1975 however, an up-turn in demand was starting mainly for products which had first felt the result of the recession.

### Capital expenditure

For a diverse Group such as LIG, the capital expenditure programmes can cover additional capacity for existing or new products, replacement or other forms of modernisation of individual items of plant, occasionally completely new plants or acquisitions, and finally, additional or more sophisticated ancillary equipment such as that needed to improve environmental control in line with tightening standards, where we have always tried to be "leaders" rather than "followers". The total capital expenditure in 1975 by our subsidiaries was £6.9m and, in addition, the Group's proportion of capital expenditure by associates was £3.8m. For the five years 1971/75 the comparable figures were £22.9m for subsidiaries and £16.3m for associates.

### Employees of LIG and its subsidiaries

We like to feel that we have always known and appreciated that of the many aspects that make up a Group such as ours, the most important is people. Once again, on behalf of the main board, I would like to thank all who work in the Group for what they

Lead Industries Group Ltd, 14 Crutcher Street, London EC2V 7AT  
Principal UK Subsidiaries: Associated Lead, Goodfellow, Fry's Metals, Fry's Densitronics, Harrison Mayer, Home and Overcast, Vapour Associates, Tonks Group, Dulux Australia, Dulux New Zealand, Valentine Varnish & Lacquer

## Turriff sees further rise

AN ASSESSMENT of the current year by Mr. W. G. Turriff, chairman of Turriff Corporation, indicates that the rate of profit improvement will continue, having outperformed external factors.

He feels that this U.K. sector still has too many problems to justify a meaningful upturn in business confidence. Nevertheless, the group has a good work load, with prospects of a substantial increase over the next few months.

In 1975 group profit before tax increased from £477,741 to £523,606. The chairman says that the performance of the construction division was most satisfactory and the group is also negotiating a number of overseas projects with limited financial risks and potentially high returns.

The results of the building side were most unsatisfactory largely due to two contracts. Full provision to completion were made in the year's accounts and the chairman feels that the division should earn acceptable profits in the current year.

The forward property situation is still being reviewed but current conditions do not inspire the group to recommence the development plans it has in mind.

As regards the chairman's dispute with the City of London, the directors have been advised that in view of the extent of the dispute and its complex and detailed nature, proceedings are unlikely to reach a final conclusion for some years.

There was an increase in cash balances during the year of £135,000 (£222,000). At the year end cash balances stood at £1,180m (£1,045m).

## Improving demand for Lead Industries

MIR A. S. DAVIES, chairman of Lead Industries Group, reports that total capital expenditure by subsidiaries during 1975 amounted to £26.5m, and in addition the proportion of expenditure by associates applicable to the group's share holding was £3.8m. For the five years, 1971-75 the figures were £22.9m, and £16.3m.

The chairman says that a large proportion of expenditure by subsidiaries in 1975 was in the U.K. Much of which was needed to meet the tightening ecological control standards, where the group has always tried to be "leaders rather than followers."

The U.K. expenditure specifically earmarked as environmental was about 25 per cent of the total, but Mr. Davies feels that this figure must be regarded as somewhat arbitrary because projects are naturally planned to give as wide an improvement as possible in general working conditions as well as improving productivity.

At December 31 last, commitments for capital expenditure amounted to £13.87m (£7.45m) — contracts placed £2.45m (£2.55m), and authorised but not contracted £11.42m (£4.90m).

On current year prospects the chairman confirms that improved demand has continued, without, in some areas it is still poor and lower margins and increased costs are causing lower profitability.

Overall, however, results so far in the year are ahead of the same period of 1975.

For 1975 profit, before tax, fell from £21.32m to £14.55m. On a C.A. basis, the 1975 result is reduced to £14.5m, while the surplus retained is shown to be down from £4.7m to £1.1m.

An analysis by product of the profit shows—metals and chemicals £1.5m (£3.8m); paint and wallpaper £2.8m (£2.5m); titanium dioxide £3.5m (£3.6m); ceramic supplies £2m (£2.6m).

## Estates and Genl. turns in £0.17m.

A turnaround from a net loss of £215,311 to a profit of £176,672 is reported by Estates and General Investments for 1975, after shareholdings of £40,370 amount to £116,967 in the first six months.

The result is struck after tax but before extraordinary debits of £8,876 (£25,260). Earnings per share are stated at 17.2p (£2.1p 1974). The dividend is unchanged at 0.7p net, with a final of 0.2p.

The directors point out that no provision has been made for any possible loss that may be sustained on a secured loan of £700,000 to Castleton Properties, a former associate. This loan, which was due for repayment by December 31, 1975, is secured by a first fixed charge on The Victoria Hotel, Nottingham, and since that date a receiver to the property has been appointed by Estates and General.

The directors cannot establish whether the whole of this amount will be recovered but are advised that in addition to their security the company has a claim of up to £200,000 plus interest against a third party in respect of its loss that may be sustained.

These circumstances the directors, even though recognising the un-

## Charles Early & Marriott

For a quarter ended March 31, Charles Early & Marriott (Wimborne) were a unit and one of the main contractors in the building industry.

But even so, the building industry is not a very profitable one, and the company's results are not as good as they could be.

However, the company's results are not as good as they could be, and the directors are advised that in addition to their security the company has a claim of up to £200,000 plus interest against a third party in respect of its loss that may be sustained.

These circumstances the directors, even though recognising the un-

## Pork Farms Limited

Budgeting for considerably increased volume and earnings

Extracts from the Review of Mr. D. C. Samworth, Chairman, and the Report and Accounts for the year to 23rd February 1976.

market and I am pleased to report that this venture is operating satisfactorily.

**CASH FLOW AND INDEBTEDNESS**  
The overall bank indebtedness has been reduced by over £543,000 despite substantial capital expenditure. Subsequent to the year end, we repaid £739,305 of the unsecured loan. Our present cash flow is in line with forecast, and together with banking facilities, continues to be adequate for our trading commitments in the foreseeable future.

**CURRENT TRADING AND PROSPECTS**  
Forecasting remains difficult. So much will depend on the prices we have to pay for our raw materials in the coming months. Nonetheless, we are budgeting for considerably increased volume and earnings, and our current trading is in line with those budgets. I am confident that this will continue, provided that we are not outperformed by further expenses outside our control. Looking further ahead, we remain as confident as ever for the future prosperity of the company.

### GROUP RESULTS AT A GLANCE

	1976	1975
Turnover	21,728,281	19,378,333
Trading Profit	1,350,352	1,537,449
Profit before taxation	1,076,842	1,243,539
Dividends	116.9%	106.3%

### RECENT ISSUES

#### EQUITIES

Local Price	Share	High	Low	Close	Change	Volume
10.50	P.P.	10.50	10.50	10.50	—	—
10.50	P.P.	10.50	10.50	10.50	—	—

#### FIXED INTEREST STOCKS

Local Price	Share	High	Low	Close	Change	Volume
10.50	P.P.	10.50	10.50	10.50	—	—
10.50	P.P.	10.50	10.50	10.50	—	—

#### "RIGHTS" OFFERS

Local Price	Share	High	Low	Close	Change	Volume
10.50	P.P.	10.50	10.50	10.50	—	—
10.50	P.P.	10.50	10.50	10.50	—	—

Remuneration date usually last day for dealing free of stamp duty. A Placing price is quoted. b Figures based on prospectus estimate. c Dividend rate paid or payable on part capital, covered not dividend on full capital. d Period unless otherwise indicated. e Forecast dividend, cover based on previous year's earnings. f Figures based on prospectus or other official estimate for 1976. g Future dividend cover allows for conversion of shares not now redeemable for dividends or making offers for restricted dividends. h Issued by company or its subsidiaries. i Underwritten. j Recommended. k Issued in connection with reorganisation, merger or takeover. l Introduced. m Issued to ordinary shareholders. n Issued to preference shareholders. o Issued to holders of convertible securities. p Issued to holders of convertible securities. q Issued to holders of convertible securities. r Issued to holders of convertible securities. s Issued to holders of convertible securities. t Issued to holders of convertible securities. u Issued to holders of convertible securities. v Issued to holders of convertible securities. w Issued to holders of convertible securities. x Issued to holders of convertible securities. y Issued to holders of convertible securities. z Issued to holders of convertible securities.

## home charm

Cline Road, New Southgate, London N11 2NA

### Extracts from The Chairman's 1975 Statement

Turnover rose 54.7% to £12 million

Pre-tax profits rose 46.3% to £888,539

Net current assets exceeded £1,000,000

including £674,800 at bank and in hand

Dividend of 2.95p is covered 4.6 times

£409,405 was invested during 1975 in leasehold properties and fixtures and fittings. 12 new units were opened, 3 less profitable shops closed — which together represented a net increase in selling area of 28%.

Backed by a very strong liquid position, the board intends to continue its carefully controlled programme of expansion into 1976. Since January 1st 1976, six more units have been opened, 2 smaller shops closed and extensions completed at 2 existing branches. The current selling area, including the 3 stores operated with our U.K. associates, is 438,000 sq. feet.

Home Charm continues to be a leader in the home improvement market. Sales for the first quarter of 1976 increased by 34%. Subject to unforeseen circumstances, your group should be able to continue its growth for many years to come.

H.E. Fogel  
Chairman.

For copies of the report and accounts, please write to: Mr. R. Himmington, Home Charm Limited, Cline Road, London N11 2NA.

TEXAS  
HOMECARE

## The whole is greater than the sum of its parts.

## CENTRAL & SHEERWOOD

Top left: Producing commercial mudguards at Robert Stockfis Manchester. Top right: A Ransomes & Rapier NCK-Rapier Eiger C110 crawler crane.



Bottom left: Steel fabrication at Newton Chambers Engineering in Sheffield. Bottom right: Aluminium diecasting at the A. L. Dunn factory at Nuneaton.

Central & Sheerwood is a holding company with industrial interests and financial services. C & S's broadly based industrial activities include the manufacture of mobile cranes, motor components, products for the construction industries and heavy engineering plant. Among its major subsidiaries are Ransomes & Rapier, Newton Chambers, Robert Stockfis and the Dunn Group. The financial services side provides professional skills in all aspects of corporate finance, merger brokerage, insurance, pensions and tax planning; with Chesham Amalgamations, Sheerwood Corporate Services and W. G. Hill as the main subsidiaries.

This spread of industrial and service activities enables Central & Sheerwood to continue to advance even when the business climate is unfavourable.

36 Chesham Place, London SW1X 8HE.

A Ransomes & Rapier Eiger C110 crawler mounted lifting crane, a top performer, manufactured in Ipswich. It is capable of lifting and transporting 110 tonnes.



# John Folkes Hefo sees further improvement

MR. J. W. Hefo, chairman of Midlands Engineering Group, says the directorate has no doubts that the company's performance will be improved during the first half of the current year.

Speaking at a Press conference to present the annual report and accounts, the chairman said that the group's engineering companies had sufficient capacity available to cover a 30 per cent increase in volume terms across the board, and would be looking to export markets for further improvement in demand.

However, low profits were expected to continue on the building side.

One big boost for 1976 results should come from a further reduction in borrowing. Mr. Hefo said: "The group was aiming at virtually eliminating bank borrowings and this could well save between £100,000 and £200,000 in interest charges."

As known, group pre-tax profits in 1975 improved from £23.5m to £23.8m, with a maximum permitted dividend of £13,101p (11.8227p).

Interim results for the group this year should be about the same as those in 1975, but it was too early to make any forecasts on the figures for the year.

Over the longer term, the chairman was still confident of reaching the target of £10m pre-tax by 1980.

Meeting, Birmingham, June 24.

## J. Dawson lower by £0.29m.

AGRICULTURAL and industrial machinery makers, James Dawson and Son, announced pre-tax profit down from £750,000 to £470,280 in the year to March 31, 1976, after £276,615 (23.325p) in the first half.

Yearly earnings per share are shown to be lower at 8.53p, compared with 8.20p as forecast. The dividend is kept at 4.22p net, with a final of 3.17p.

TURNOVER AT Wormalds Walker and Atkinson was virtually static at £6,297,315 in the year ended February 29, 1976, compared with £6,197,064 and the company incurred a greater pre-tax loss of £554,385, against £120,223.

There is no dividend—the last payments totalling £112,500 were made in 1974-75. There is a tax credit of £27,584 (£60,717 credits) and an extraordinary debit of £20,314 (nil).

In the first six months a net loss of £211,388 was incurred, compared with a profit of £11,601 in the previous first half, due to a lack of sales volume. The heavy division which was particularly depressed, showed little sign of improvement, it was stated.

ANZ MOVE Documents relating to the transfer of residence and incorporation.

# Concentration on U.K. by Marshall's Universal

THE U.K. companies of Marshall's Universal are expected for the current year. However, the effect of import quotas on the company's trading activities in East Africa—which contributed £1.6m to a total trading profit of £2.6m, last year—must be to restrict further growth there, warns chairman, Mr. R. L. Doughty.

He explains that the expected advance in the proportion of group profit arising in the U.K. is in line with directors' planning. They have been actively pursuing U.K. expansion for a number of years, he points out, and further acquisitions in fields related to present activities are currently under consideration.

In the U.K., car sales for the first quarter of the current year are about 25 per cent and the indicated uplift in profit should be further increased by any change in the trading climate in the paper and board industries which was far from buoyant last year.

As reported on May 7, group pre-tax profit for 1975 advanced from £1.5m to £1.8m, turnover amounted to £27.4m, £22.9m, and trading profit was £2.6m (£1.9m).

A divisional breakdown of turnover and trading profit shows motor vehicle distribution (£17,001,000 and £1,604,000) and general distribution (£4,079,000 and £400,000) of consumables and services (£2,000,000 and £600,000).

Company chairman, Mr. Doughty, was fairly evenly shared between the U.K. and East Africa.

Chairman's statement Page 20

## Trade picks up at Austin Reed

Trade in the Austin Reed Group is beginning to look a little brighter than the opening weeks of the current year, states chairman Mr. Barry St. G. A. Reed, in his annual report.

Given a reasonable return in consumer confidence he forecasts a healthy improvement in turnover over the next 18 months, as the new merchandising plans for shops in the U.K. start to take hold and as we gain further strength in our retail and export markets overseas.

The chairman reports that the group has adequate financial resources with strong asset backing, and the present objective is to obtain a substantially better return on our current investment.

Four new unrecouped retail outlets in the U.K. have been closed and steps have been taken to dispose of a number of excess stock requirements, but the extensive loss of the company's branch in New Street, Birmingham, has not yet been disposed of. Referring to retail activities

# CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST LIMITED

The following is the statement by the Chairman Sir Clement Penruddock, C.B.E.

In my Statement last year, I commented on the very difficult conditions which had prevailed during 1974 and I am happy to be able to tell you that 1975 enabled us to achieve a considerable degree of recovery on all fronts.

The losses on the dealing company have been partially recovered, and it is hoped that during 1976, a further improvement will be achieved. The portfolio of the Trust has benefited from the recovery in world stock markets, and this is reflected in the improved asset value as at the end of 1975.

Last year, I forecast that we hoped to pay a final dividend for 1975 of not less than 10.0p (less Jersey income tax) and in the event, the improved out-turn has enabled us to declare a dividend of 11.0p (less Jersey income tax). I am hopeful that the improved outlook for stock markets and the further improvement in the dealing company during 1976 will enable us at least to maintain the dividend at this level for 1976.

During 1975, the Financial Times Ordinary Share Index rose by 132.8 per cent, and the All-Share Index rose by 152.5 per cent. The Dow Jones Industrial Index adjusted for the dollar premium rose by 60.1 per cent. The Trust's assets during the year rose by 110.6 per cent, so that we have participated fairly fully in the recovery. The outlook for 1976 is still uncertain in view of the many economic problems but I am hopeful that the Trust's investments will perform adequately in the prevailing circumstances.

Year to December 31st, 1975	1975	1974
Revenue before Tax	157,300	75,317
Net Revenue	135,513	37,846
Total Assets Capital Share	2,007,080	434,896
Assets per Capital Share	401.4p	87.0p
Dividends per Income Share	15.0p*	0.0p

\*including a non-recurring interim of 4.0p

## Morgan Grenfell Far East ventures

Morgan Grenfell Banking City merchant banking and finance company, has announced that the major part of its Far East operations have been transferred to a new subsidiary, Morgan Grenfell Far East, which will be wholly owned by the group.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

Morgan Grenfell Far East will be responsible for all the group's Far East operations, including the group's Far East banking and finance activities.

The new subsidiary, which will be wholly owned by the group, will be based in Hong Kong, and will be responsible for all the group's Far East operations.

## Parkland Textile

After a first half loss of £167,000 compared with profits of £200,000 in 1975, Parkland Textile (Holdings) has reported a further loss of £223,364 in the year to February 29, 1976, with a small profit of £22,364 in the first half.

The group's turnover was £171.6m (£165.7m). The attributable loss is £223,364 compared with profits of £200,000 in 1975, and the loss per share is shown at 0.88p (earnings 0.62p).

A single dividend of 0.833125p net compares with last year's total of 1.725p.

Cumulative losses incurred during the first nine months were more than exceeded by the profits for the year, the chairman of Tyson

## Lower profit outlook for Tysons

In view of the general recession in the building industry, the chairman of Tysons

# Introducing the FT Eurobond List

The Financial Times is to publish monthly the Association of International Bond Dealers' official List of Eurobond Quotations and Yields.

The official Eurobond List will be an essential work of reference for anyone investing, borrowing or involved in this increasingly important market. You'll find it as an integral part of the Financial Times early in every month. The first issue appears on Monday, June 7, and planned publication dates for the remainder of the year are July 5, August 9, September 6, October 11, November 8 and December 6.

So, from now on, month by month, you'll have Eurobond data that's accurate to the last trading day of the preceding month. At least sixteen pages of detailed information which will help you find all the facts you want fast.

To: Robert Piper, The Financial Times, Bracken House, Cannon St., London EC4P 4BY.

Please send me a copy of the first official Eurobond Quotations and Yields List.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

FT 4

## J. SMART & CO. (CONTRACTORS) LTD.

### Interim Statement

At a Board Meeting on 31st May, 1976, the Directors declared an Interim Dividend per share of 0.9p net (0.819p) due payable on 28th June, 1976 in respect of the year ending 31st July, 1976. Members holding approximately 60% of the shares have waived their right to this Interim Dividend.

It is estimated that for the current year, Group Profits before Tax will be not less than £1,410,000 (£928,482) made up of Trading Profits of £1,540,000 (£888,163) and Loss on Sale of Investments, etc. £130,000 (Profit £338,529).

The Group has had a successful year with completions running at a high level. Group Turnover is expected to be up as compared with last year.

Subject only to unforeseen circumstances, it is the Board's intention to recommend to the Shareholders in due course that the Final Dividend per share for the year to 31st July, 1976 be 2.351704p net (2.137095p), this being the maximum permissible under the current restrictions.

## MIDHURST WHITE HOLDINGS LIMITED

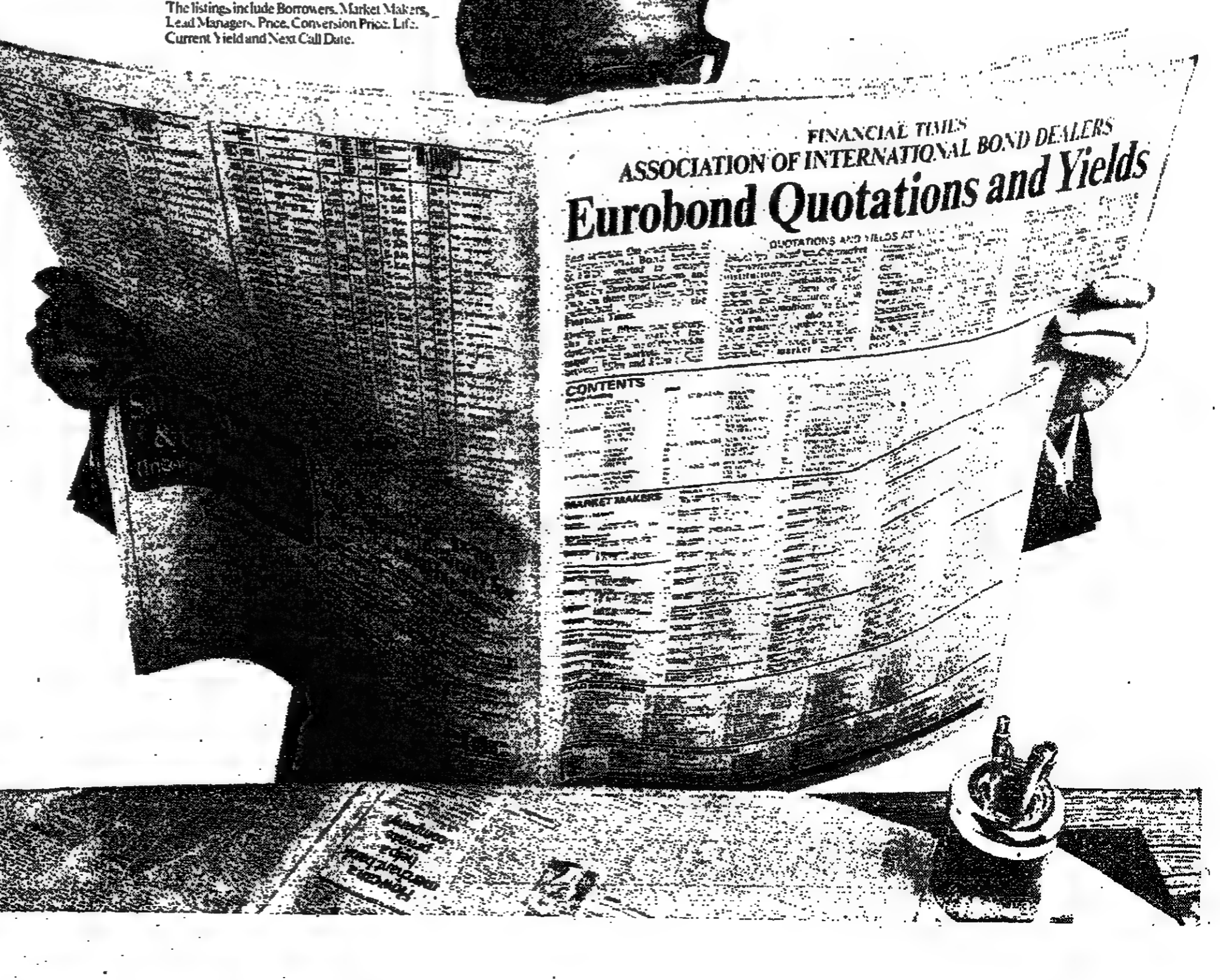
### Interim Report

The results as per the unaudited accounts for the half year to 30th September 1975, together with comparative figures, were as follows:

	Half year to 30.9.75	Half year to 30.9.74	Year ended 31.3.75
Turnover:			
Sales of brick-making business	316,705	171,201	305,475
Sales of antique business	44,319	—	39,219
Receivables	115,789	115,324	238,234
Group profit (loss) before taxation	(65,840)	30,220	(148,923)
Provision for taxation	—	32,281	Cr 11,658
Profit (loss) after taxation	(65,840)	17,929	(137,265)

No interim dividend is to be paid. The group loss for the half-year to 30 September 1975 includes the proportion relating to that half-year of a further loss arising on the disposal in March 1976 of the Nottingham development.

Whilst the Directors expect that there will be a further group loss before taxation in the second half-year to 31 March 1976, it is likely to be somewhat lower than that in the first half of the year as a result of the continuing contribution from the brickmaking business and the realisation by a subsidiary of its interests in retailing residential freeholds in the Midlands.



## INTERNATIONAL COMPANY NEWS + EUROPEAN MARKETS

## Veba results point up W. German recovery

BY GUY HAWTIN

A CLEAR indication of the strength of the West German recovery can be gleaned from the performance of Veba, the federal republic's largest energy concern. Turnover in the first quarter stood nearly 18 per cent above the comparable level for 1975. With annual turnover topping DM25bn. (US\$4bn.), it is an important economic barometer. Apart from being West Germany's largest power producer, its interests range from glass making in transport.

Today's interim report shows group external turnover rising from just under DM5.7bn. in the first three months of 1975 to DM6.7bn. The upturn, commented the group, was mainly a result of increased demand.

The most striking improvement occurred in the electricity generating sector where it moved up by 24.2 per cent, from DM1.13bn. to just under DM1.4bn. Admittedly, price increases played a role in this substantial upturn but the report shows that power output rose by a real 17.8 per cent, in industrial and domestic consumers.

In the oil, natural gas and chemicals sector, sales put on 19.3 per cent, rising from just under DM2.3bn. to DM2.8bn. A trimming of refinery facilities had led to 7.9 per cent capacity utilisation—considerably better than in the comparable period of 1975.

Performance in the chemicals sector had been uneven with substantial increases in both put and domestic organic plastics and fibres sectors. However, in that inorganic sector, production and demand for ammonia and fertilisers fell back. The report also pointed out that its glass-making operations only notified the upturn towards the end of the quarter.

Hand in hand with the credit-

FRANKFURT, June 1.

able overall upturn in performance came a major rise in profits. Pre-tax profits went up by 29.7 per cent, from DM182m. in the first quarter 1975 to DM236m. while the concern's net went up by close on 32 per cent, from DM125m. to DM164m.

On the services side, turnover rose somewhat more slowly than in the production branch. It went up by 14.3 per cent, from DM2.42bn. to DM2.77bn. The group's trading operations showed a 15.5 per cent growth with turnover rising to DM2.45bn. while transport turnover advanced by 7 per cent, to DM2.81bn. There was, however, a 4 per cent. fall back in the general services branch to DM3.6m.

## Preussag starts well

BY OUR OWN CORRESPONDENT FRANKFURT, June 1.

PREUSSAG has pushed up turnover and profits in the first quarter of the current year. Apart from the slight improvement in the economic situation, much of the credit for the improvement in earnings must be attributable to the shedding of its shareholdings in the loss-making Leichtmetall aluminium smelting concern.

Consolidated external turnover in the first three months of 1976 totalled DM588m. (US\$125m.) compared with DM589m. in the same period of 1975. However, last year's figures included Leichtmetall's DM588m. sales. In the heavy and precious metals sector the group benefited from increased demand for the metal processing industry for lead and zinc. Prices also showed a slight improvement. Turnover in the metals sector

advanced by DM26m.—14 per cent—to DM206.5m.

There was also considerable improvement in the transport and shipping sector with turnover up from the first quarter of 1975's DM62.4m. to DM72.4m. Oil and chemicals turnover rose from DM91.5m. to DM104.7m. There was also an increase in turnover in the coal sector, from DM132.4m. to DM171.1m. but despite an improvement in returns there was still a measurable loss in this field.

Group capital investment in the first quarter of the year totalled DM359.5m.—a hefty 42 per cent up on the DM245.1m. invested in the same period of 1975. The metal, transport and coal sectors were the primary beneficiaries with DM113.3m. going to the metals side, DM19.3m. to transport and DM14.8m. to coal.

## Air France still in the red

By Rupert Cornwell

PARIS, June 1. AIR FRANCE, the French flag airline, is still embroiled in the financial difficulties which overtook the world's air transport industry with the 1973 energy crisis. Last year's operating loss is put at around Frs.350m. (US\$14m.) which is more the loss of an improvement on the Frs.542m. (US\$21m.) deficit of 1974.

The final accounts will not be made public until the annual meeting at the end of this month, but it is already known that turnover climbed to some Frs.6.6bn. (US\$2.6bn.) from Frs.5.8bn. Total passengers carried rose 6 per cent, to 5.04m., while seat occupancy although stagnant at just under 69 per cent, was well above the industry average of 55 per cent.

Air France's difficulties stem in part from the continuing effect of the recession, and it is unofficially forecast that 1976 will show another, if smaller, loss. However, the airline has had to contend with its own specific problems which have made matters worse.

Foremost among these have been the costly (and Government-enforced) switch to Roissy, the futuristic airport north of Paris and the start-up costs of regular Concorde services to Rio, Caracas and now Washington. An ageing fleet of Caravelles and Boeing 707s is a heavy consumer of fuel at a time when kerosene costs have soared.

A recent report moreover suggested that the airline employed too many highly paid pilots and maintained too many lines for its size.

Air France is obliged by the government—which has virtually 100 per cent. ownership—in maintain loss-making routes, especially to far-flung French overseas possessions.

## Investment at Statoil

By Fay Gjester

OSLO, June 1.

STATOIL, NORWAY'S state oil company, made a loss in 1975 of Kr.62m. (US\$2m.), but in 1976, the accumulated deficit since it was established in 1972, investments last year reached Kr.867m. with half going to the giant Statfjord oil and gas field, in which Statoil has a 40 per cent. stake. Of the rest, some Kr.185m. went to help finance the petrochemical complex at Bamble, south east Norway, where Statoil is partnering Norsk Hydro and Saga Petroleum, and Kr.131m. towards development of the Frigg gas field, where the company has a 5 per cent. stake.

Income from operations last year was Kr.10m. compared with operating costs (including financial costs) of Kr.72m. Because of the enormous investment programme it has been borrowing from abroad. Statoil is not expected to move into the black until sometime in the 1980s.

## Improvement in demand at Elkem

By Our Own Correspondent

OSLO, June 1.

ELKEM, SPICER VERKET, the Norwegian metal manufacturing and engineering concern, reports improved demand for many of its products in the first four months of 1976. Output rose and stocks of finished products shrank. Net pre-tax profits (excluding environmental improvement and inventory build-up) last year.

The company reports that it arranged for loans totalling Kr.400m. in the period, nearly half of which will be used to convert previous loans into longer term loans. The real will be down on the need to finance major investment projects (including environmental improvement and inventory build-up) last year.

The company reports that it arranged for loans totalling Kr.400m. in the period, nearly half of which will be used to convert previous loans into longer term loans. The real will be down on the need to finance major investment projects (including environmental improvement and inventory build-up) last year.

## Japanese shipping lines show savage falls in profits

BY OUR OWN CORRESPONDENT

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAVAGE FALLS IN PROFITS

SAV

**New chief chosen for IRI**  
By Anthony Robinson  
The Board of Directors of the Italian Republic's largest State holding company, IRI, has chosen Sig. Enzo Cuccia, 55-year-old chairman of the public sector group, to replace the late Sig. Leopoldo Medugno as director-general of the company. Mr. Cuccia, who has been in the company since 1961, is the chairman of the Banca di Sicilia, one of the three large banks controlled by IRI. The Board's decision is to be formally ratified by the Minister of State, Sig. Antonio Bisaglia, expected to take place in the next few days. Mr. Cuccia is a member of the Socialist Party and has been in the company since 1961. He has been in the company since 1961. He has been in the company since 1961.

**Unionamerica insurance discussions**  
By Jay Palmer  
NEW YORK. In a financially troubled Unionamerica, the company's insurance division, which is now in a state of liquidation, is being sold. The company's insurance division, which is now in a state of liquidation, is being sold. The company's insurance division, which is now in a state of liquidation, is being sold.

**MSII**  
MSII is a company that specializes in the production of articles made of metal, plastic, wood, and other materials. The company's products are used in a wide variety of applications, including construction, manufacturing, and transportation. The company's products are used in a wide variety of applications, including construction, manufacturing, and transportation.

# Benefits for Brixton Estates

THE FULL benefits from the lifting of the current freeze will be seen in the current year, according to Mr. J. J. Verrey, chairman of Brixton Estates, in his annual statement.  
The high levels of inflation in recent years have so far had little effect on the company's income but a substantial benefit from the reversal of the freeze can be expected.  
The chairman is satisfied that the facilities available to the group are sufficient to finance current commitments and to undertake further development where suitable opportunities arise. The company is continuing to look for new schemes, particularly in the U.K. and Europe, and a number of proposals are being considered.  
The accounts show expenditure amounting to £18.3m. (£12.9m.) has not been contracted for—the figures represent the estimated total cost of completing those industrial estates where development had started prior to December 31, 1975.  
Until the Community Land Act is fully operative, the chairman says that residential development on land will be subject to the development land tax provisions now before Parliament.  
D.L.T. will replace capital gains tax on first lettings, which due to its penal nature, inhibited new development for investment.  
D.L.T. is "less onerous" for investment companies and it should be possible for the group to resume an active development policy in the U.K.  
Preparations have, therefore, been made to start new industrial and warehouse schemes following the proposed change in tax on August 1.  
The directors are satisfied that as at end December 1975 the aggregate current value of group properties exceeds their book value.  
On May 7 it was reported that net profit increased from £0.9m. to £0.9m. after a £0.2m. (£0.9m.) transfer from capital reserves. Dividends are effectively raised from 1.385p to 1.708p net.  
At May 4, Clerical, Medical and General Life Assurance Society held 23.16 per cent. of the equity.  
Meeting, 22, City Place, E.C., June 23 at 12.15 p.m.

# Outlook at Aberdeen Construction

Due to its location Aberdeen Construction Group is well situated to take advantage of trading in the north and north-east of Scotland, where recession has not been to the same extent as the rest of the U.K.  
Chairman Mr. J. K. Hall reports that the group of work available has attracted contractors from all parts of the U.K. and competition has thus increased.  
In the building sector company workloads are at present adequate and constant attention is being directed to ensure that, as far as possible, they are maintained. Workloads in the civil engineering sector presently under pressure should be relieved later in the year when some major projects currently being planned reach the tendering stage.  
The chairman says that modernisation of plant and equipment of companies in the concrete and extractive division will enable these to obtain an adequate share of an available market which is becoming increasingly competitive.  
As reported on May 8, taxable profit for 1975 rose from £2.9m. to £3.8m. and the dividend is raised from 3.454p to 3.75p net.  
Mr. Hall points out that during the year "considerable" attention was paid to reducing dependence upon bank finance. Borrowings were down from £6.3m. to £1.2m. and charges for finance reduced from £0.8m. to £0.5m.  
Notes to the profit and loss account disclose £2,500 (£3,000) paid as compensation for loss of office. Meeting, Aberdeen, on June 25 at noon.  
Chairman's statement Page 22

# Setback for G. & W. Collins

In the year ended February 28, 1976, turnover of wholesale food distributors G. & W. Collins rose by 10m. to £43.4m. but profit fell from £245,476 (£317,921). After tax £205,476 (£317,921) net profit came out at £174,320 (£228,569). Extraordinary items total £11,413 (£204,321). Earnings were 29.07p (39.54p) per £1 share, and the dividend absorbed £163,107 (£24,028). The ultimate holding company is Wholesale Distribution and Trading.

# Second half downturn at Kayser Bondor

A DOWNTURN in second half pre-tax profit from £393,000 to £143,000 is announced by Kayser Bondor, a 1975 year-end total of £478,000, compared with the previous year's £501,000. In November last year it was anticipated that the first half's improved profitability would continue.  
Now the directors state that trading continues to be depressed in the history and much of the lingerie business.  
Stated earnings are 9.5p per 25p share (7.5p)—the dividend is being raised from 1.43p to 1.75p net. At the year-end level of 2.43p (2.14p), this is the maximum allowed.  
The company is a Courtland subsidiary.

# Upward trend at Pork Farms

CURRENT trading at Pork Farms has improved, despite substantial loss in line with markets for mutton and lamb. Since the upward trend in earnings, year-end £0.7m. of the unsecured reports Mr. David Samworth, chairman, in his annual statement.  
And he is confident that this will continue, provided the company is not burdened by further expenses outside its control. Much will also depend on prices to be paid for raw materials in the coming months.  
In spite of all the national difficulties he remains as confident as ever for the future prosperity of the company.  
As already reported, pre-tax profit for the year to February 28, 1976 declined from £1.24m. to £1.08m.—adjusted for changes in the purchasing power of money profit is down from £2.31m. to £1.82m., reflecting a lower monetary gain on borrowings of £0.4m., compared with £1.13m. It is estimated that this year results from the effects of inflation on net monetary liabilities, comprising loans deferred tax and current liabilities less debtors and cash—the net borrowing position at the beginning of the year was £3.4m., equivalent in 1975 to £3.4m. after accounting for inflation, a reduction of £1.2m. The £0.39m. balance of the monetary liabilities from the monetary items in the monetary items during the year.  
Dividends are up from 7.122p to 7.601p net.  
During the year the bank indebtedness was reduced by more than £0.5m.

# Ente Nazionale per l'Energia Elettrica (ENEL)

Guaranteed Floating Rate Loan Notes 1980  
In accordance with the provisions of the above Notes, Bankers Trust Company, as Fiscal Agent thereof, has established the Rate of Interest on such Notes for the semi-annual period ending November 30, 1976 as eight and one-eighth percent (8 1/8%) per annum. Interest due on such date will be payable upon surrender of Coupon No. 13.  
BANKERS TRUST COMPANY, Fiscal Agent  
DATED: June 1, 1976

# Popular Español International N.V.

Guaranteed Floating Rate Notes due 1977  
In accordance with the provisions of the above Notes, Bankers Trust Company, as Fiscal Agent thereof, has established the Rate of Interest on such Notes for the semi-annual period ending November 30, 1976 as seven and five-eighths percent (7 5/8%) per annum. Interest due on such date will be payable upon surrender of Coupon No. 8.  
BANKERS TRUST COMPANY, Fiscal Agent  
DATED: June 1, 1976

# Pentland Ind. upsurge

Despite adverse trading conditions, turnover of Pentland Industries increased from £3.3m. to £3.7m. and pre-tax profit advanced from £67,000 to £192,000 in 1975.  
And the chairman, Mr. R. S. Rucin, expects 1976 to be a year of continued growth.  
A maximum permitted dividend of 0.205p net per 10p share lifts the total from 0.246p to 0.38p.  
The company is a Courtland subsidiary.

**\$75,000,000**

**Société Générale**

**Floating Rate Notes Due 1981**

Interest is payable semi-annually on May 15 and November 15, commencing in 1976.

MORGAN STANLEY INTERNATIONAL	SOCIÉTÉ GÉNÉRALE
AMSTERDAM-ROTTERDAM BANK N.V.	BANCA COMMERCIALE ITALIANA
CREDITANSTALT-BANKVEREIN	IBJ INTERNATIONAL LIMITED
MIDLAND BANK LIMITED	MORGAN & CIE S.A.
SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.	SWISS BANK CORPORATION (OVERSEAS)

ALABAMA BANK OF KUWAIT (K.S.C.)	ALGERIEN BANK NEDERLAND N.V.	A.E. AMES & CO.	
ANDRESEN BANK A/S	THE ARAB INVESTMENT COMPANY, S.A.A. (RIYADH)	JULIUS BARR INTERNATIONAL	
THE ARAB AND MORGAN GRENFELL FINANCE COMPANY	BANCA DEL GOTTARDO	BANCA NAZIONALE DEL LAVORO	BANCA DELLA SVIZZERA ITALIANA
BANCO DO BRASIL	BANCODI ROMA	BANK OF AMERICA INTERNATIONAL	THE BANK OF BERMUDA
BANK FÜR GEMEINWIRTSCHAFT	BANK GUTZWILLER KURT, BUNGENER (OVERSEAS)	BANK LUI INTERNATIONAL LTD.	BANK MORGAN LABOUCHERE N.Y.
THE BANK OF KUWAIT AND THE MIDDLE EAST (K.S.C.)	BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)	BANQUE BRUXELLES LANBERT S.A.	BANQUE EUROPEENNE DE TOKYO
BANQUE GÉNÉRALE DU LUXEMBOURG S.A.	BANQUE INTERNATIONALE A LUXEMBOURG S.A.	BANQUE LAMBERT-LUXEMBOURG S.A.	BANQUE LOUIS-DREYFUS
BANQUE NATIONALE DE PARIS	BANQUE DE NEUFILIZE, SCHUMERGER, MAILLET	BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG	BANQUE ROTHSCHILD
BANQUE DE L'UNION EUROPEENNE	BANQUE DE BARY & CO. N.Y.	BATERISCHE HYPOTHEKEN-UND WECHSEL-BANK	BATERISCHE LANDESBANK
BATERISCHE LANDESBANK	BATERISCHE VEREINSBANK	BERGEN BANK	BERLINER HANDELS-UND FRANKFURTER BANK
BLITH EASTMAN DILLON & CO.	CAISSE CENTRALE DES BANQUES POPULAIRES	CITICORP INTERNATIONAL BANK	COMPAGNIA FINANZIARIA INTERNOBILIARE S.p.A.
CONTINENTAL ILLINOIS	CREDIT CHIMIQUE	CREDIT COMMERCIAL DE FRANCE	CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE
CREDIT INDUSTRIEL ET COMMERCIAL	CREDIT LYONNAIS	CREDIT DU NORD	CREDITO ITALIANO
RICHARD DAUS & CO. BANKIERS	DEN DANKE BANK	DEN NORSKE CREDITBANK	DEUTSCHE GROSZENTRALE
THE DEVELOPMENT BANK OF SINGAPORE	DRESDNER BANK	FIRST BOSTON (EUROPE)	FRAB BANK INTERNATIONAL
GOLDMAN SACHS INTERNATIONAL CORP.	HILL SAMUEL & CO.	ISTITUTO BANCARIO SAN PAOLO DI TORINO	JARDINE FLEMING & COMPANY
KIDDER, PEABODY INTERNATIONAL	KREDBANK S.A. LUXEMBOURGEOISE	KLEINWORT, BENSON	KREDITBANK N.Y.
KUHN, LOEB & CO. INTERNATIONAL	KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.)	KUWAIT INTERNATIONAL FINANCE COMPANY S.A.K. "KIFCO"	KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.
LAZARD BROTHERS & CO.	LAZARD FRERES ET CIE	LLOYDS BANK INTERNATIONAL	LONDON MULTINATIONAL BANK (UNDERWRITERS)
MANUFACTURERS HANOVER	MERRILL LYNCH INTERNATIONAL & CO.	MITSUBISHI BANK (EUROPE) S.A.	MORGAN GRENFELL & CO.
MORGAN GUARANTY & PARTNERS LTD.	NATIONAL WESTMINSTER BANK	NEDERLANDSCHE MIDDELANDSBANK N.V.	NESBITT, THOMSON
NORDDEUTSCHE LANDESBANK	GROSZENTRALE	PETERBROECK, VAN CAMPENHOUT, KEMPEN S.A.	RIBAUX BANK
N.J. ROTHSCHILD & SONS	SCHROEDERS & CHARTERED	SMITH BARNEY, HARRIS UPHAM & CO.	SOCIÉTÉ CENTRALE DE BANQUE
SOCIÉTÉ GÉNÉRALE ALSACIENNE DE BANQUE	SOCIÉTÉ SEQUANAISE DE BANQUE	SOGEN-SWISS INTERNATIONAL CORPORATION	STRAUSS, TURNBULL & CO.
SVENSKA HANDELSBANKEN	TRINKAUS & BURKHARDT	UNION BANK OF SWITZERLAND (SECURITIES)	UNION DE BANQUES ARABES ET FRANÇAISES—U.B.A.F.
UNITED OVERSEAS BANK S.A. GENEVA	VEREINS-UND WESTBANK	J. VONTOBEL & CO.	S.G. WARBURG & CO. LTD.
WARDLEY	WESTDEUTSCHE LANDESBANK	WOBACO INVESTMENTS LIMITED	WOOD GUNDY

**\$400,000,000**

**E. I. du Pont de Nemours and Company**

**\$300,000,000 8 1/2% Debentures Due 2006**

**\$100,000,000 8% Notes Due 1986**

Interest payable May 1 and November 1

MORGAN STANLEY & CO.	GOLDMAN, SACHS & CO.
THE FIRST BOSTON CORPORATION	SALOMON BROTHERS
MERRILL LYNCH, PIERCE, FENNER & SMITH	BACHE HALSEY STUART INC.
BLITH EASTMAN DILLON & CO.	DILLON, READ & CO. INC.
DREXEL BURNHAM & CO.	HORNBLLOWER & WEEKS-HEMPHILL, NOYES
E.F. HUTTON & COMPANY INC.	KIDDER, PEABODY & CO.
KUHN, LOEB & CO.	LAZARD FRERES & CO.
LEHMAN BROTHERS	LOEB, RHOADES & CO.
PAINE, WEBBER, JACKSON & CURTIS	REYNOLDS SECURITIES INC.
SMITH BARNEY, HARRIS UPHAM & CO.	WERTHEIM & CO., INC.
WHITE, WELD & CO.	DEAN WITTER & CO.

May 27, 1976.

This advertisement is not to be construed as an offering of the securities mentioned herein and is an announcement for record purposes only.

# WALL STREET OVERSEAS MARKETS FOREIGN EXCHANGES Pound weaker

BY OUR WALL STREET CORRESPONDENT

ALTHOUGH corporate news helped to bolster individual issues, the market was initially carried over from last Friday's rally. The Dow Jones Industrial Index was 2.66 lower at 102.57 and the S&P 500 surrendered 0.12 to 300.15. But the Transport

Closing prices and market reports were not available for this edition.

## OTHER MARKETS

## Canada higher

The Gold Share index picked up 7.87 to 298.08 in Toronto leading stocks mostly higher in moderate mid-day trading. The Canadian dollar rose 0.74 to 191.67 and Base Metals put on 0.13 to 58.34.

Gold responded to higher bullion prices. Sigma Mines (Quebec) jumped \$1.30 to \$20.10 while Camlin rose 3 to 392 and Dome Mines added 1 to 343.

Overall, advances led declines 14 to 113.

Montreal, the Industrial Index rose 0.32 to 301.31 while the S&P 500 rose 0.12 to 300.15.

PARIS—The stock market was narrowly mixed in trading.

Prices on the American Stock Exchange edged higher in light trading. The Amex index rose 0.07

to 103.23, while turnover was light. Knickerbocker Toy picked up \$1.10 to \$191 after declaring a 30 per cent stock dividend. It also raised the semi-annual dividend to 72 cents a share from 3 cents.

The company also resumed indefinitely its annual meeting, which had been scheduled in May.

White, its chairman and president, said the company was in a "strong position" and that the market was "in a state of confusion".

As stocks turned mostly lower, it was pointed out that the major

Wall Street indicators because of Monday's holiday.

This firm's most while Banks, Foods, Building, Engineering, Printing and Metals gained.

Other sectors were weak. Denzel sold \$1.50 to \$15.15. RSN

Cervati fell \$1.50 to \$15.15. RSN

generally mixed with Dutch International gaining some further ground and Phillips showing a

slight recovery. However, Hoogovens was against earlier.

Gains elsewhere were led by Glaxo and Van Ommen up 1.23 to \$1.23.50. Heineken, Gist, Broeders, Naarden and major banks registered marked declines.

State loans had an easier undertone following the interest rate

increase. Zurich fluctuated narrowly with a firmer trend on selective demand. Swissair Registered rose while Banks closed

predominantly slightly firmer. In general, the Industrial market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

slightening shipped DM2 but Lower-  
bros gained DM40 at DM1.840.

The bond market regained ground, with public issues rising up to 25 pence. The authorities

sold DM22m of paper (12.5m.).

AMSTERDAM—The market was generally mixed with Dutch International gaining some further

ground and Phillips showing a slight recovery. However, Hoogovens

was against earlier.

Gains elsewhere were led by Glaxo and Van Ommen up 1.23 to \$1.23.50. Heineken, Gist, Broeders, Naarden and major

banks registered marked declines. State loans had an easier undertone following the interest rate

increase. Zurich fluctuated narrowly with a firmer trend on selective demand. Swissair Registered rose while Banks closed

predominantly slightly firmer. In general, the Industrial market was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

NEW YORK, June 1

Oslo—Industries and Insurance were barely steady, while Shipbuilding was firm. Kosmos

shipped \$1.50.

VIENNA—Beverages Armed slightly. Vetscher continued to

gain ground and Semperit recovered after recent declines.

COPENHAGEN—The market closed higher in active dealings.

JOHANNESBURG—Gold shares advanced across a broad front on local and overseas interest.

Volume was fairly high. Gains in smaller-priced issues ranged from five to 15 cents while heavyweights rose up to 75 cents.

Financial Minings were fairly active and moved in line with

De Beers gained 6 cents to R2.48. Asbestos shares were mixed. In Platinum's Bisplat gained 3

cents to R1.63.

In general, the Industrial market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

was mixed. The Zurich market

Sterling was at a further lowest, but the International Monetary

Fund, the Kruggerand's premium over the gold content widened to 4.21 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

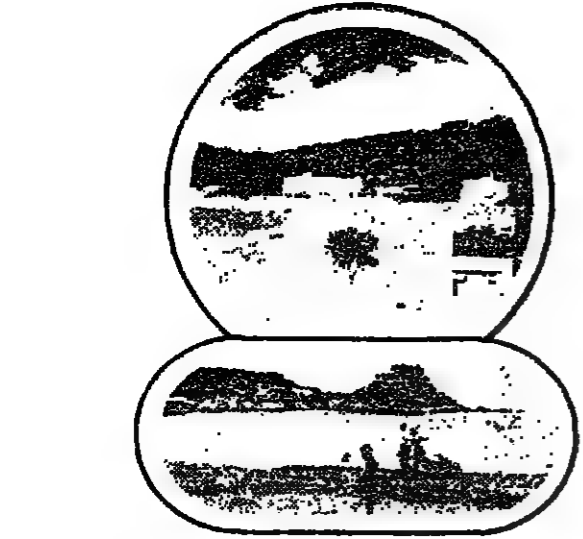
cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per cent, from 2.88 per

cent, from 2.88 per cent, from 2.88 per cent, from 2.88



## CHANNEL ISLANDS II

## Finance centre still growing



## Your company requests the pleasure of a conference in Jersey

The pleasure of being in Jersey isn't the only good reason for making it your conference venue.

Little more than an hour's flight from cities throughout Britain and Europe, Jersey offers a wide choice of top grade hotels with conference facilities for up to five hundred delegates.

An island in the ideal place to escape from outside pressures and get down to some clear thinking.

And when the talking is over, enjoy the fishing, golfing, the beautiful beaches and country side. Drinks and

entertainment are refreshingly inexpensive and can be as cheap as well.

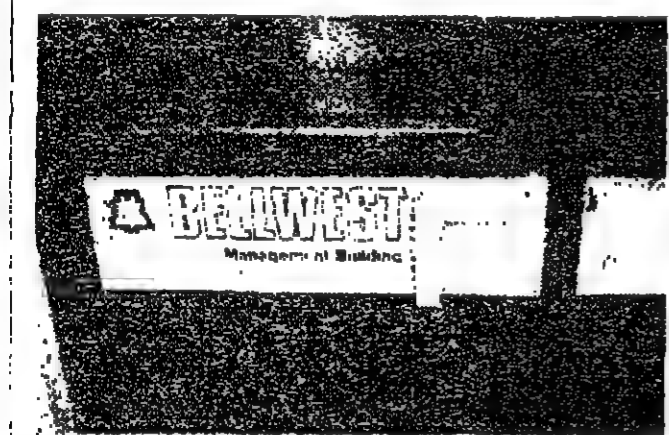
Jersey has a well deserved reputation for superb cuisine. And in some hotels you can enjoy a relaxing sauna and massage after the business of the day is over.

While always ready to help with planning and organisation, so that every thing runs smoothly and successfully, that's why the day in Jersey is often a pleasure in itself.

Write to the address below and we'll send you full details.

Jersey

THE CONVENTION BUREAU, TOURISM DEPARTMENT,  
WHEATBRIDGE, ST. HELIER, JERSEY, J1



## Your development and construction problems will be understood behind these doors.

You need to know rapidly from a single source exactly what your construction project will cost and exactly how long it will take to build, so let us talk to you about Management Building.

In brief it means that complex building projects are more efficiently tackled when responsibility and control is centralised and costs are nailed down hard.

If you'd like to know more please contact Brian Bell.

**Bellwest (CI) Ltd.**  
14, Boulevard de la Mer,  
St. Peter Port,  
Guernsey.

Associated with Bellwest, Jersey, Ltd. and Bell & Co. (Jersey) Ltd. in Jersey.

## Deposits

## Foreign Exchange

## Money and Investment Management



**Italian International Bank Ltd.**

14, Boulevard de la Mer,  
St. Peter Port,  
Guernsey.

**Italian International Bank (Channel Islands) Ltd.**  
14, Boulevard de la Mer,  
St. Peter Port,  
Guernsey.

## OFFICES TO LET

There are many advantages in operating in the Channel Islands.

For a list of available properties for sale as well, contact

LOVELL & PARTNERS

11 South Street, St. Peter Port, Guernsey. Tel: 0481 23635.

## JERSEY WHERE THE GRASS IS GREENER

VINCHELEZ ESTATE DEPARTMENT  
F.C.U. GIANT, MANAGER

See how a wide range of specialist estate agents can be available to you.

For more information, contact the Channel Islands and also outside for established Residents.

Vincchellez Estate Department, St. Omer, Jersey.

Tel: 0481 23635.

## CHANNEL ISLANDS

Well established building business with turnover of £750,000 to £1,000,000 annually would be interested in either sale or a partnership. For details write Box number E7960, Financial Times, 10, Cannon Street, EC4P 4BY.

IT IS 15 years since the Channel Islands began their steady growth as an offshore finance centre—a development which, in spite of a studied low profile, continues to stir ambivalent reactions both inside and outside the archipelago.

Nevertheless expansion, nurtured by indigenous low-tax economies and political stability has never been halted, not even by the recession. Indeed, there are many who believe that the area is still only on the threshold of its full potential as an internationally known, respected and "haven" with a legitimate role—that of protecting private and corporate capital and assets from uncertain futures elsewhere.

However, while growth has been continuous, there have been changes of pace and direction following the realisation that some aspects of development were threatening to become counter-productive in the context of small communities with limited resources.

Good examples are the responses of Jersey and Guernsey to the problems which arose from their increasing attractiveness to investors from the U.K. tax system who, incidentally, created the first real impetus for the proliferation of all kinds of financial facilities.

In the late 1960s the trickle of newcomers threatened to become a continuing flood which the island could have dammed by raising the standard rate of income tax—20p in the £—in 1968 and introducing various other taxes which are still nonexistent—stamp, capital gains, estate and death duties.

Such a solution, however

would have been alien to the history and character of the inhabitants who include a high proportion of small, self-employed trades, businesses, and professional people, such as Guernsey's 1,500 tonato growers. Low taxes have always been a vital part of their life-style.

All the same, since 1945 each island had been committed to the political principle that bona fide islanders should have first call on limited land, housing and building resources. Clearly, something had to be done to make it harder for the wealthy to enter "the kingdom."

## Draconian

Jersey agreed to "ration" itself to only 15 new rich immigrants a year, each with a proven liability to pay at least £10,000 per annum in local income tax. While this may sound draconian, the island authorities have gone out of their way to say this is only a guideline and that they are prepared to be "flexible."

In Guernsey potential settlers while occupying any form of "means test," are restricted to occupying existing properties, a law which prohibits new building for "rentiers."

No one knows exactly how many wealthy settlers have made new homes in the islands during the past 15 years, and neither is the full extent of their total wealth known. Much in any case is securely secured in the hundreds of private investment and trust companies with which the area abounds.

The best indications come from Mr. Colin Powell, Jersey's

Economic Adviser, whose department is involved in "vetting" applications. In his definitive report on the Jersey economy in 1971 he wrote: "All in all, the figures that are available might be taken to suggest that the term 'wealthy immigrant' covers about 1,000 people with incomes of £10m. and a tax liability of about £2m. per annum. The report fore-shadowed the stricter 'rationing' policy which has severely curtailed the number of immigrants, which in 1968 totalled 130. Last December, Mr. Powell reported that up to September only 8 consents had been issued, with just seven more in the pipeline. Yet, if all were approved, Jersey's income tax department would gain by some £200,000 a year.

Mr. Powell's reports also indicate that some 55 per cent. of Jersey's income tax revenue of £23m. to £24m. is now generated by finance centre activities, including wealthy settlers. The Guernsey percentage is similar on total receipts of around £12m.

The banking, financial and insurance infrastructure which developed in the wake of the immigrant "boom" followed a similar pattern—an early rush, controls, then consolidation. The official view is that the islands were almost forced into their present role by outside events. Guernsey's "chancellor," Mr. Edward Collis, told a recent seminar of trust experts: "During the 1960s, increasing amounts of funds began to flow into the islands from various sources. As successive colonies were granted independence, many expatriates who had been

## JERSEY: NEW COMPANY REGISTRATIONS

	1973	1974	1975
Trustee and finance companies (unit trust) management	62	49	74
Private investment companies	314	224	15
Jersey residents	369	375	25
Sterling area residents	245	255	172
Non-sterling area residents	227	322	49
Overseas trading companies	348	232	56
Local trading companies, etc.			
Total new registrations	1,765	1,457	1,268

Source: Budget Report 1975.

resident in these territories sought a haven for their capital.

"The remittance basis of taxing U.K. residents' overseas earnings also produced a flow of funds here. As the island became an increasingly important sterling deposit collecting centre, so more and more deposit-taking institutions were attracted."

He added: "A further impetus to this development was provided by the contraction of the sterling area in 1972."

New controls include protection of depositors' laws in each bailiwick, tighter regulations and policies in respect of new office buildings, and the importation and housing of essential staff. Both islands are trying to train and encourage more local people to take jobs in banking and finance, which employs some 1,200 in Jersey and another 800 in Guernsey. Fifteen years ago there were hardly more than the joint stock and trustee savings banks in each island. Today Jersey has 30 authorised institutions holding deposits of over £1,000m. and Guernsey 45 with

in excess of £500m. Millions more are invested in unit trusts, with which many banks are closely associated. Last year Jersey alone authorised 11 new unit trusts with permission to raise up to £341m.

Such an immense accumulation of capital through a relatively small area has not gone unnoticed, or uncriticised. Guernsey's Mr. Collis observed recently: "All too often we are the object of outbursts of moral indignation by those who substitute envy and prejudice for reason overlooking the fact that the benefits are not all one way. The inflow of foreign funds to the islands has a directly favourable effect on the U.K. balance of payments."

It was partly a response to a few Labour left-wingers who have demanded that the islands should be "shut down" as tax havens. But it was also a pointer in the way forward for the island finance industries in their quest for more international recognition, and it echoed recent comment from Mr. Powell.

"The islands' fiscal and political stability, its proximity to Europe, and the standard of its banking and financial services combine to make it particularly attractive to those seeking political or trading certainty or with relatively harsh tax regimes," he wrote.

Apart from attracting more European and overseas banks—today probably the only new institutions likely to gain admission anyway—the islands have two major areas for growth. They are in the field of trust company activities, largely for non residents, and insurance, in particular captive insurance, whereby a company places its insurance through its own insurance subsidiary.

Countless trust structures to suit all manner of clients have been set up in the islands in recent years. The majority involve the use of non resident status local companies paying only a fixed £300 per annum in corporation tax. It is estimated that there could be some 2,000 of these which today cost

around £350 to set up and, on average, between £700 and £1,000 a year in management fees. If they are not active both the tax liability and the fees are reduced.

Another point of interest is that as far as non-residents are concerned the beneficial ownership of trusts is not subject to compulsory disclosure and, as a result, as numbered share accounts.

New private trust business with European nationals, however, is difficult, if not impossible to generate because continental law does not recognise the peculiarly Anglo-Saxon concept of "giving away" of assets into trust. But there is considerable potential with expatriates around the world from countries where laws are essentially British while there are any number of corporate applications.

## Potential

The foreign currency earning potential of such business is one reason why the Bank of England made arrangements for Channel Islands based operators to have special access to Exchange Control advisers.

The captive insurance market is entirely in Guernsey's sphere as currently Jersey lacks appropriate legislation. Leading advisers, already very active in the field, claim that Guernsey and Bermuda are at present perhaps the two best offshore captive insurance bases in the world for corporations spending at least £250,000 a year on conventional premiums. Bermuda paid up capital of \$U.S.120,000 whereas Guernsey is prepared to look at companies with a minimum of £50,000 with permission dependent partly on the amount of risk involved.

But according to some financial men the one thing more than any other which would accelerate international growth is transport—by this they mean more direct air links to European capitals, and driven drive-off-car ferry facilities to adjacent French ports.

Bob Baker

## Property gold rush comes to an end

THE PROPERTY bonanza enjoyed—and by some deplored—during the early 1970s in Jersey and Guernsey is over, and there is every sign now that the gold dust is beginning to settle as the market stabilises to a more realistic level of supply and demand.

The most visible manifestation of the investment boom in Channel Islands property has been the number of new office developments that have sprung up in St. Helier and St. Peter Port, and have threatened the eyes of conservationists the character of the islands' small harbour capitals.

Originally, modern offices were in very short supply in the wake of the expansion—particularly in Jersey—of offshore finance and banking business. But as shortage gave way to surplus, Government authorities in Jersey and Guernsey reacted in characteristically different ways to bring further building under control.

In January 1974, Jersey introduced its Regulation of Undertakings and Development Law, requiring special permission for any project of two or more acres.

Mr. A. J. "Tom" Williams of William A. Bell and Company, a leading St. Helier firm of estate agents and valuers, reckons that some 15,000 sq ft of office accommodation were available in 1974, whereas at about 40,000 sq ft, are currently in let.

He says: "In the last 12 months there has been no new developments. The only building that is being started are projects that were already in the pipeline."

## Relaxed

Mr. Williams does not foresee any shortage of office space in the future. "Once the island is taken up and office space occupied, I think the Jersey authorities are likely to become more relaxed about the regulations—especially if demand comes from the kind of business they wish to encourage."

Average annual rent for quality purpose-built offices with central heating in Jersey is around £3 to £25 a square foot in Guernsey. Mr. Michael Watt, property manager for Lovell and Company, the principal office letting agents in the islands, quoted £24 per square foot for "prime" offices at Albert House, South

This mix of shops, offices and local flats is now owned by Twentieth Century Banking of Brighton. The scheme was originally launched by Ernest Wolfgang Branch, an American property developer who cut a flamboyant figure in Guernsey during the boom period and was convicted in the U.K. last year on currency-smuggling charges. Albert House, however, is an architectural feat de jure in that the original 18th-century warehouse exterior has been preserved, and the development is therefore perfectly in keeping with the acknowledged charm of St. Peter Port.

The condition that construction could go ahead only if the outside of the building was restored to its original state was insisted on by Guernsey's powerful Island Development Committee. For the past 16 years, its political head has been Major Tom Watt, a Guernsey senior statesman who was formerly a police officer in the West Indies.

Major Watt's experience of a sketch plan for high-rise building, under his occasionally ruthless leadership, the IDC has repeatedly refused Guernsey from repeated attempts to replicate a Guernsey-style development. He has also refused to allow a speculative "wild" development and demanded that any project respect the island's character.

Many local estate agents believe the IDC applied the brakes to further commercial development in 1974, when it proposed a 100,000 sq ft office development—excluding ancillary development such as flats and car parking—and either been built during the year, was under construction was planned or was awaiting planning permission.

There was an urgent need to "cool" the rate of development. The economic situation in the U.K. was depressed and in Guernsey the housing laws were a deterrent for would-be tenants who would have had to import £4,000 but would have had little chance of housing them. However, Mr. Watt admits that the island still has a surplus of office accommodation. Commerce House, at 25,000 sq ft, is one of the biggest purpose-built properties—unintentionally, but units of around 8,000 sq ft are "beginning to fill up well."

According to an IDC spokesman, proposals for office development have virtually ceased and several developers are seeking to alter their plans from office to alternative types of development.

Because Jersey's new control of development law applies equally to private property building resources in that island can now be concentrated on essential projects. In Guernsey, where there is a real of over 1,300 "open market" houses available without strings to

wealthy settlers' extensions and alterations—sometimes simply to increase the value of the property—create a "seller's market" for the building and decorating trades. One householder who had to replace all his window frames found it cheaper to bring over men and materials from the U.K. than to employ local firms.

The two-tier housing system operated by Guernsey simplifies business for the island's estate agents. It has also kept down the price of local properties, which are reserved for Guernsey people with residential qualifications, or for "essential" workers who can occupy only under licence from the Housing Authority. It is difficult for a Jersey family to buy adequate housing under £25,000, but in Guernsey there are good properties available at £10,000.

## Intangible

Jersey accepts only 15 new wealthy settlers a year, apart from "topping up" existing residents who have died or left the island. Qualifications for entry are an income yielding a minimum of £10,000 income tax at 20p in the £ or a more intangible asset that will reflect social status on the island—such as being a composer or a distinguished historian.

The criticism has been made that Jersey's policy of allowing in only the very rich results at times in unattractive for the Channel Islands as a tourist destination. Guernsey's headline-biting tax dangers, who are likely to promote Labour MP at Westminster.

But Colin Powell, the island's economic adviser, points out that Jersey is not responsible because people want to seek residence outside the U.K. He argues that the island can only accept a few wealthy immigrants, and a basis of "first come, first served" would be no less likely to attract new wealthy personalities than selection on the grounds of someone's value to Jersey.

A recent "Hicks" estate agents' catalogue rich immigrants by the section of Jersey that deals with them is Jack Higgins (Harry Patterson), best-selling author of "The Eagle has Landed" and father of another best-selling author—16-year-old Sarah Patterson. Jersey expects "Hicks" to start house-hunting in the £100,000 upwards bracket. "Essential" newcomers such as doctors and top bank managers can buy property from £50,000, but "lucrative" millionaires—even those in their own right at all until they have clocked in ten years' residence. They have to live in company property.

House property in Jersey is beginning to move again, if slowly, while Guernsey's open market has picked up briefly following the legislation ex-

agents last year. In 1975 the normally buoyant months of May, June and July were deflated by financial uncertainty in the U.K. and the introduction of capital transfer tax.

Mr. Peter Rice, of Hampton and Sons, who is president of the Jersey Auctioneers and Estate Agents Association, says that some higher priced properties—those in the £100,000-£200,000 bracket—are being reduced in price by the owners who are serious about selling them, and that this reduction is tending to be reflected downwards. Meanwhile there is "plenty of movement in the £30,000 to £65,000 range."

But an indication that the day of the jackpot for agents is over comes from Mr. Alfred Langlois, of Langlois. He says: "We have 15 properties at £400,000 on our books at present that we would have sold within four months in 1974."

In Guernsey, Mr. Clive Moy, of Martel, Maides, Le Pelley and Moy, thinks that U.K. buyers today are much more selective than they were in the early 1970s boom period. "Anything over £100,000 is difficult to sell—I think this end of the market is likely to come down in price."

Mr. Moy feels that Guernsey is attracting a new kind of U.K. settler—one not necessarily motivated by financial reasons. "Buyers are often younger now—men in their 40s who have sold a family business because of the increasing difficulties of running it. These are people who are tied up with the present U.K. way of life and are strongly drawn to the independent social climate of the Channel Islands. It is an intensely English way of life here in Guernsey—as it used to be in England 20 years ago or more."

## Risen

Mr. Moy reckons that open market house prices have risen dramatically in the past five years, whereas the cost of local housing has increased far less. Referring to Fort George, a housing estate for wealthy settlers and the only site where new buildings on the open market has been permitted, he says: "You could get a house here for £30,000 not so long ago, but now the lowest price would be about £35,000."

His firm has some 45 open market properties available, at asking prices from £50,000 to a top £155,000. For sale at the time is La Vauvrière, in the tiny island of Sark. It is one of the original properties into which Sark was divided in the 16th century and the purchaser is automatically entitled to a seat in the island's parliament. Along with the six-bedroom modernised house is 16 acres of garden and farmland, the price includes an open victoria carriage with folding hood and a closed brougham with original upholstery.

Willa Murray

**JIB**

**Jersey International Bank of Commerce Limited**

Loans and Advances  
Company Finance Administration  
International Finance and Taxation  
Investment Services  
Trustee and Executorship Services

22 Hill Street, St. Helier, Jersey, C.I.  
Telephone 0534 32271 Telex 41267  
A member of the Samuel Montagu Group

**La Plaiderie Trust Company Limited**

Trustee and Corporate Services  
Fiscal Planning

La Plaiderie  
St. Peter Port  
Guernsey

Tel: 0481 26426  
Telex: (U.K.) 41056

# Wing Tourist trade expects limp year

ATIONS

1974
49
224
375
325
322
272
1,457

around £350 to set up an average between £1,000 a year in the fees. If they are not made or so local hoteliers have been reduced.

Another point of view is that as far as non-residents are concerned the benefits of a series of record-breaking seasons. Director of compulsory disclosure, Michael Walden, as sacrosanct as the value of tourism to the island's economy could be 10-15 per cent down this year in comparison with 1975. It was a highly successful year. Compared with 1974 we have the ability to hold our own in Jersey — and in the small of Sark and Alderney — mood is still optimistic. Major Clarence Dupre, president of Jersey's Tourism Committee, has predicted "another successful year".

Apert from a firm—and well-earned—faith in their natural attractions as holiday resorts, Channel Islands are counting on two trump cards to keep their potential of such tourist trade reasonably healthy. One reason why depth arises from their being in England made the sterling area: the price for Channel Islands holiday can offer the U.K. operator to date holidaymaker and the bargain to Exchange Control now represent in the Con-

The foreign currency potential of such tourist trade reasonably healthy. One reason why depth arises from their being in England made the sterling area: the price for Channel Islands holiday can offer the U.K. operator to date holidaymaker and the bargain to Exchange Control now represent in the Con-

potential

The foreign currency potential of such tourist trade reasonably healthy. One reason why depth arises from their being in England made the sterling area: the price for Channel Islands holiday can offer the U.K. operator to date holidaymaker and the bargain to Exchange Control now represent in the Con-

Helier, Jersey, 2271 Telex 4120

GUERNSEY: PASSENGER ARRIVALS, 1970-75

GUERNSEY: REGISTERED TOURIST ACCOMMODATION, 1970-75

Corporate Services Planning

## JERSEY: HOTEL BED OCCUPANCY

	Average Bed Occupancy Rates 1974-75	Change In Occupancy Rates
May	75	-6
June	83	-10
July	92	-3
August	96	-1
September	86	-7
Average May to September	86	-5

Jersey attracted nearly 130,000 French visitors last year, including day trippers, while about 3,000 French yachts put in at Guernsey's St. Peter Port marina. This year the invasion looks like being on an even bigger scale.

## Catchment

But the Channel Islands' Continental catchment area now extends well beyond nearby France. Both Guernsey and Jersey had stands this year at Holland's big holiday fair in Utrecht—Guernsey for the third year running—and at the Salon des Vacances in Brussels. Jersey also showed at two German tourism fairs, Stuttgart and Berlin.

We are spending at least £125,000 this year in a very positive effort to capitalise on what we have been doing on the Continent over recent years," said Mr. Reboudaine.

This doesn't mean we are turning our back on the U.K. market—far from it—but any falling-off in British trade can obviously only be bridged from the Continent.

About 15 per cent of Jersey's staying visitors probably now come from outside Britain, though an accurate estimate is difficult, because many pass through immigration in London. However, virtually any local hotel—and even quite small guest houses—can confirm that the proportion of Continental guests is rising each season. Guernsey has no means at all of monitoring this traffic since the great majority of its Continental visitors arrive via Jersey or the U.K. But the island's aim is to draw 25 per cent of its visitors from the Continent by 1977, and Mr. Michael Walden is hopeful that the figure this year will be "in the area of 20 per cent".

Nevertheless, scheduled air links with the Continent have not developed to the extent the islands were hoping for in the early 1970s, partly because of the 1973 fuel crisis and its aftermath in terms of airline economics.

This year British Airways has withdrawn two direct services to the French, Dutch and

## Even so, while the island authorities are firmly against charter flights from the U.K. mainland for fear of losing their good year-round scheduled links, the field is clearly wide open for charter operations from the Continent—and some local tourism men believe the future traffic will have to be largely on this basis.

Meanwhile the Channel Islands, traditionally a British playground, are in course of adapting themselves to a new European role. This involves, among other things, building up relationships with Continental travel agents, adjusting to later booking patterns, becoming more polyglot (official literature is already in French, Dutch and German as well as English) and projecting their tourist appeal from new angles.

## Asset

Jersey has one special asset in its gastronomic Festival, just held for the eleventh year running, which has undoubtedly done a great deal, especially in France, to spread the island's reputation as a gourmet's paradise of lobster, fresh vegetables and rich cream.

Helped by professionals from a dozen countries who have settled in the archipelago, and in many cases opened their own establishments, all the islands can now hold their own gastronomically with any mainland

## Even so, while the island authorities are firmly against charter flights from the U.K. mainland for fear of losing their good year-round scheduled links, the field is clearly wide open for charter operations from the Continent—and some local tourism men believe the future traffic will have to be largely on this basis.

Meanwhile the Channel Islands, traditionally a British playground, are in course of adapting themselves to a new European role. This involves, among other things, building up relationships with Continental travel agents, adjusting to later booking patterns, becoming more polyglot (official literature is already in French, Dutch and German as well as English) and projecting their tourist appeal from new angles.

## Asset

Jersey has one special asset in its gastronomic Festival, just held for the eleventh year running, which has undoubtedly done a great deal, especially in France, to spread the island's reputation as a gourmet's paradise of lobster, fresh vegetables and rich cream.

Helped by professionals from a dozen countries who have settled in the archipelago, and in many cases opened their own establishments, all the islands can now hold their own gastronomically with any mainland

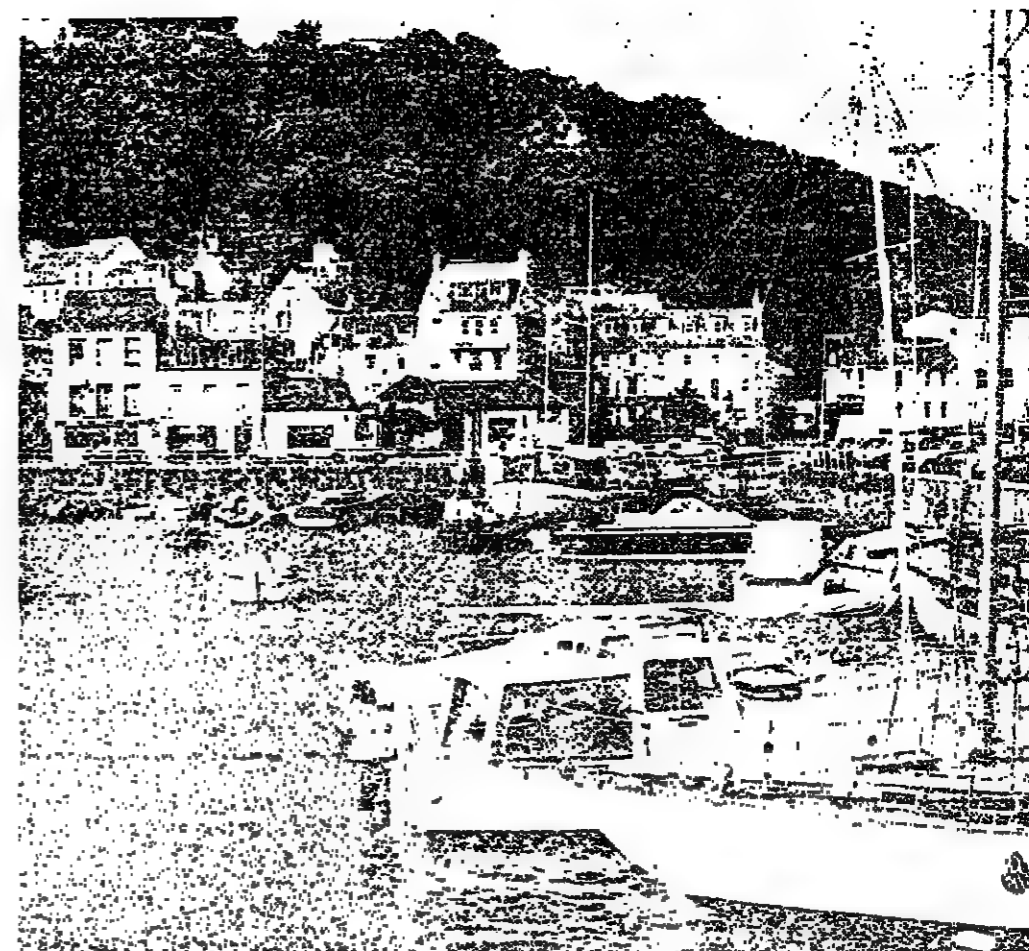
## Even so, while the island authorities are firmly against charter flights from the U.K. mainland for fear of losing their good year-round scheduled links, the field is clearly wide open for charter operations from the Continent—and some local tourism men believe the future traffic will have to be largely on this basis.

Meanwhile the Channel Islands, traditionally a British playground, are in course of adapting themselves to a new European role. This involves, among other things, building up relationships with Continental travel agents, adjusting to later booking patterns, becoming more polyglot (official literature is already in French, Dutch and German as well as English) and projecting their tourist appeal from new angles.

## Asset

Jersey has one special asset in its gastronomic Festival, just held for the eleventh year running, which has undoubtedly done a great deal, especially in France, to spread the island's reputation as a gourmet's paradise of lobster, fresh vegetables and rich cream.

Helped by professionals from a dozen countries who have settled in the archipelago, and in many cases opened their own establishments, all the islands can now hold their own gastronomically with any mainland



The harbour at St. Aubin, Jersey.

# Take a fresh look at banking in the Channel Islands



In the Lloyds Bank Group, we believe that we can offer companies and individuals something different from conventional banking.

First, there's our experience. We have been in the Channel Islands for more than a century, longer by far than most other banks. So we know the islands and the opportunities they offer better than most.

Next, there is our wide range of services, especially useful if you're looking for offshore expertise and advantages: currency deposit accounts; all aspects of sterling and foreign business; world-wide investment and movement of funds; taxation and estate planning advice; formation and management of investment and trading companies registered in the Islands; investment management for companies and private individuals; management and trustee services for unit trusts and individuals.

Finally, there is the fact that we are the Lloyds Bank Group, and that we always try (and usually succeed) to provide our services with the extra elements of awareness, skill and style.

That's why we suggest that for any business in, or through, the Channel Islands you should at least contact one of the offices on the right for a fresh look at banking.

- Jersey**  
Lloyds Bank Limited  
P.O. Box 10, 9 Broad Street, St. Helier  
P.O. Box 198, 11 Bath Street, St. Helier  
Lloyds Bank Trust Company (Channel Islands) Limited  
P.O. Box 195, Waterloo House, Don Street, St. Helier  
LBI Finance (Jersey) Limited  
P.O. Box 10, 9 Broad Street, St. Helier.
- Guernsey**  
P.O. Box 53, St. Peter Port.  
Lloyds Bank Trust Company (Channel Islands) Limited  
P.O. Box 114, Lower Le Marchant Street, St. Peter Port.  
LBI Finance (Guernsey) Limited  
P.O. Box 136, La Tour Gand House, Pollet, St. Peter Port.



## CHANNEL ISLANDS IV

## Farms and factories

THE PAST couple of years have been generally successful if somewhat unusual ones for the Channel Islands' agriculture and horticulture producers. Among the reasons quoted in Jersey's 1975 Budget Report for the good performance are the less favourable weather conditions in competing areas, reduction in acreage cropped in the U.K. (which is, of course, the major market), and the falling value of the pound, making the U.K. market less attractive to Continental producers. Guernsey's 1975 Economic Report gives similar reasons for the industry's success.

Jersey's agricultural sector makes up only 7 per cent. to 8 per cent. of GDP. Its main products are potatoes, worth around £4.6m. in export receipts during the first nine months of 1975, tomatoes (£2.4m. over the same period), as well as cauliflower and daffodils; both the latter achieved relatively poor returns last year, largely because of the unusual weather conditions in the island and in the U.K.

It was the long dry spell last summer that led to a reduction in Jersey's potato crop from around 40,000 tons in 1974 to only 23,000 tons last year. But higher prices—as U.K. shoppers will realise only too well—compensated for the shortfall in output. And some growers were so overcome by the prices being realised that they even sold this year's seed potatoes! These are now in short supply.

The industry is supported

JERSEY: EXPORT VALUES				
	1973	1974	Jan.-Sept. 1975	Jan.-Sept. 1974
Potatoes .....	1.90	3.73	3.69	4.61
Tomatoes .....	2.36	2.09	1.78	2.41
Cauliflowers .....	0.60	1.38	1.04	0.49
Daffodils .....	0.43	0.43	0.40	0.37
	(7.29)	(7.63)	(6.91)	(7.88)

Source: Budget Report 1975.

GUERNSEY: TOMATO EXPORTS 1970-75				
Year	Receipts, £m.	Index of Receipts	Deflated Index	Volume (tons)
1970 ...	8.4	100	100	48,990
1971 ...	8.2	109	100	50,170
1972 ...	8.9	106	86	45,830
1973 ...	12.0	142	104	48,850
1974 ...	12.6	149	99	48,850
1975 ...	15.6	185	93	45,930

Receipts are for the year ending October 31. They are gross proceeds less 12 per cent. for marketing, packing and transport costs.

The Deflated Index shows the Index of Receipts in 1970 terms. Source: Guernsey Tomato Marketing Board.

from public funds, which are mainly directed towards ensuring self-sufficiency in milk output through production bonuses, and in assisting growers towards higher efficiency through improved techniques and marketing.

One of the island's aims is to promote the Jersey breed worldwide. It is not, however, an all-purpose breed such as the Friesian since it is not a meat producer, and the chlosterol/heart disease scare has hit sales of Jersey milk, which has a high butterfat content. The

island runs an artificial insemination centre, but this is taking some time to get off the ground.

Unlike the situation in Jersey, in Guernsey, it is horticulture that still forms the island's biggest money earner. The island's 1,000 acres of glasshouses produced tomatoes worth £18m. in export earnings last year, and flowers worth a further £7m. As with Jersey potatoes, the volume of tomato production was down—though not by much, from 48,850 tons to 45,930 tons—but the EEC has produced few problems so far—they do not contri-

buty's sales in the U.K. were protected to some extent by the fall in the value of the pound, which made Continental imports, especially those from Holland, very expensive.

Total acreage under glass in Guernsey is falling by about 10 acres per year, but the industry's efficiency in terms of output per acre is increasing, aided by public money for modernisation. Around 3,600 people (a quarter of them women) are employed in Guernsey's horticulture—a figure about 700 fewer than five years ago, but still about a sixth of the labour force, and both islands accept the need for maintaining these industries as a valuable employer of labour.

Although in other sectors, such as tourism and finance, the islands are beginning to look further afield for their markets, there is little likelihood of this happening in agriculture or horticulture. Agriculture, apart from Jersey potatoes, remains largely useful for import substitution, particularly where milk is concerned, while the products of both sectors are tailored to British tastes, where they are "up-market" products, in the sense that they are of high quality and also arrive earlier than comparable home-produced goods. The Jersey new potato has about 7-8 days headstart over its U.K. counterpart.

The islands' relationship with the EEC has produced few problems so far—they do not contri-

bute to the central fund and do not claim from it—but from 1978 onwards they may be forced to abandon the ban on imports of other breeds of cattle. Up to now the purity of the Jersey has been carefully protected.

The biggest problem at the moment is the weather. Prolonged drought has led to a serious water shortage—a tomato plant needs an inch of water per week, which represents 22,000 gallons per acre per week. The islands' growers must now be busy practising rain-making ceremonies in the evenings, especially since a state of emergency has just been declared in Guernsey, giving the States authorities wide-ranging powers to limit run-off.

And there is one further problem that may need to be solved if the Channel Islands are to join fully in the activities of the EEC. At present their agricultural statistics tend to present area in verges (2½ in the acre) and milk yield in pints (2 Guernsey pints to the gallon, but a Jersey pint is different). Faced with milk production in pints per verge, even experienced Brussels officials might be expected to reach for the brandy.

## Manufacturing

As yet manufacturing industry plays only a small part in the Channel Islands' economy, but both Guernsey and Jersey are conscious of the need to develop it further. Jersey's Budget Report notes



Oscilloscope assembly at the Tektronix factory in Guernsey.

that expansion in this sector should be geared to the requirements of school leavers, and the island has tried to ensure that suitable industrial sites are available to accommodate firms moving in. Currently under construction is an area at Rue des Pres comprising four or five 5,000 square foot units. But the Report makes the point that there is little room for expansion at present because of the tight market for labour. Jersey expects some expansion of the sector in the late 1970s, because the 1961-64 birth rate bulge will produce more school leavers during that period.

The biggest firm in Jersey is RCA Jersey, which makes a wide range of electronic equipment, including videotape recorders and TV cameras. The company is typical of the sort of industry that suits the island

—it makes high-value products, without using a great deal of labour and without producing any pollution. Other companies in the island make knitted fabrics, pack tea, can potatoes, freeze vegetables, and make shock absorbers, pottery and a variety of other goods.

Guernsey has made more active attempts to attract industry, although the island still turns down most of the applications it receives. Although there are no incentives such as grants that are available in parts of the U.K., companies are attracted by the financial advantages and by the island's good labour record. Most applications come from the U.K., although there are a few from France and other continental countries and from South Africa.

During last year enquiries were received at the rate of four per month, and the Light Industry Working Party considered eight firm proposals. Two new industries set up: making pharmaceuticals and the other furniture.

Of the 900 or so people employed in light industry in Guernsey, over half work for Tektronix, the American oscilloscope manufacturing company. Others making such things as greenhouses and temperature control equipment, plastics products, have set up as a spin-off from the island's horticulture activities, and a bennis island which attracts yachtsmen by the hundreds there are shipyards producing boats to suit most tastes and pockets.

Colin Innes

## Living with inflation

ANY IDEA that the daily cost of living is lower in the Channel Islands than on the U.K. mainland is dispelled as soon as one walks round the shops and supermarkets.

Spirits, cigarettes, perfume and cameras are cheaper because of low duties and absence of VAT, but milk costs 12p to 13p a pint, butter around 50p a pound, a large sliced loaf 22p. The bargains are mostly on the gift and luxury counters: necessities, including clothes, tend to cost as much or more than in England.

With their monetary union with the U.K. and their heavy dependence on goods and services from the mainland, the islands have imported all of Britain's inflation. During 1974 and 1975 Jersey's prices index rose almost exactly in line with the U.K.—48.9 per cent. against 48.8 per cent.

In daily spending terms, however, the Channel Islands housewife has been harder hit because factors such as freight costs, the absence of food subsidies, and 5-10 per cent. to many items. A family of four now spends about £3 a month more on food and groceries in Jersey than on the mainland.

To calculate how the standard of living compares would be much more difficult. Lower income tax has to be balanced against high gas and electricity charges. Telephoning is cheaper but there are private doctors' and dentists' bills to be paid. Rates on property are inevitably low, but building materials and house repair jobs cost more than in England.

## Climb

What hurts, however, is the month-by-month climb in the cost of living, and here many islanders, especially pensioners, and the lower-paid, feel at times that they are getting the worst of both worlds. For Jersey and Guernsey have firmly resisted pressures to introduce legislative control over prices, profits and dividends or other ingredients of the U.K. Government's counter-inflationary package.

The argument is that in the local context such measures would be irrelevant—costly and bureaucratic—to administer and in the end as ineffective against the mounting tide of inflation as the action urged on King Canute by his courtiers.

Inflation is seen as the price the Channel Islands have to pay for their economic links with Britain, and basically the island authorities feel there is nothing to be done about it except to wait for the storm to pass. Meanwhile they see no sense in interfering with commercial operations or burdening their economies with subsidies and the like.

Official figures have been published to show that U.K. style food subsidies would cut the cost of living by only 7 per cent., while roping Jersey was restrained in some form several years. This could bring about widening a gap between Channel Islands wages and salaries linked to the U.K. rate and those based on the local cost of living, and finally lead to

Nevertheless Guernsey especially has been aware that too passive an attitude could bring trouble. If local pay settlements were allowed to get seriously out of line with Britain's, generating "excess" local inflation, the Channel Islands could eventually find themselves priced out of their U.K. markets.

So far the islands have escaped this danger because over a wide range of public and private employment the principle of parity or near-parity in pay with the mainland is accepted. In an effort to maintain this situation Guernsey has been trying over the past three or four years to get the co-operation of the unions—all U.K.-based—for some kind of voluntary counter-inflationary policy.

In April Guernsey's Advisory and Finance Committee obtained parliamentary backing for a report setting out its strategy. The hope of any formal wage restraint policy was finally abandoned and the emphasis put on "a proper understanding of the economic facts of life" by "all sections of the community." In return islanders were promised more consumer protection, including recommended maximum retail prices for about 30 basic commodities.

In Jersey a call for wage restraint was made by the island's "chancellor," Senator Cyril Le Marquand, in his last budget speech. However, Jersey has tried nothing comparable to Guernsey's counter-inflationary exercise, and the feeling there is that all Guernsey's efforts have really come to no more than what Mr. Le Marquand said—the need for goodwill and a sense of responsibility.

In the final analysis, it is pointed out, wage restraint means striking a bargain with the unions, and this is something Guernsey, like Jersey, has not been prepared to do.

Behind the scenes, in fact, the thinking in both islands seems to have been much the same. It is hoped that local wage rates will keep roughly in line with those in the U.K.; meanwhile letting wages find their own level is less demanding economically than meeting union demands for prices and profits control and perhaps more taxation of the wealthy.

Helped by the fact that they benefit from U.K. price controls since many manufacturers treat them as part of the home market, the islands have so far emerged surprisingly well. Commenting on the neck-and-neck movement of local and U.K. price indices, Guernsey's finance committee said: "This curbed despite the adoption in the U.K. of many different counter-inflationary policies since 1961, none of which has applied locally."

But problems might come if the food subsidies were continued in the mainland for several years. This could bring about widening a gap between Channel Islands wages and salaries linked to the U.K. rate and those based on the local cost of living, and finally lead to

a wholesale breakaway from parity principle.

There are already signs of this happening (Mr. René Lin Jersey organiser for the Transport and General Workers Union—the strongest in the Channel Islands with some 10,000 members—has claimed that several recent agreements all strictly Jersey-based, have been "far superior" to those of the mainland. One case was the Jersey State technicians, who after a 51-week work rule won a rise of 28.25 a week ending the traditional link with U.K. rates.

At present locally based awards, whether linked to a cost of living or supplemented by an insular allowance, probably do not add more than per cent. or so to the U.K. figure. But there is a question of what would happen if higher settlements had to be made for several years on end.

## Empirical

Meanwhile the attitude of the TGWU and other unions to the free enterprise climate of the Channel Islands has been empirical rather than doctrinaire. It was predictable, however, that when Guernsey attempted at one stage to set Britain's £8 limit accepted as the basis for local negotiations, the island should get a sharp answer from the TGWU: no U.K.-style wage restraint without the rest of the U.K. package.

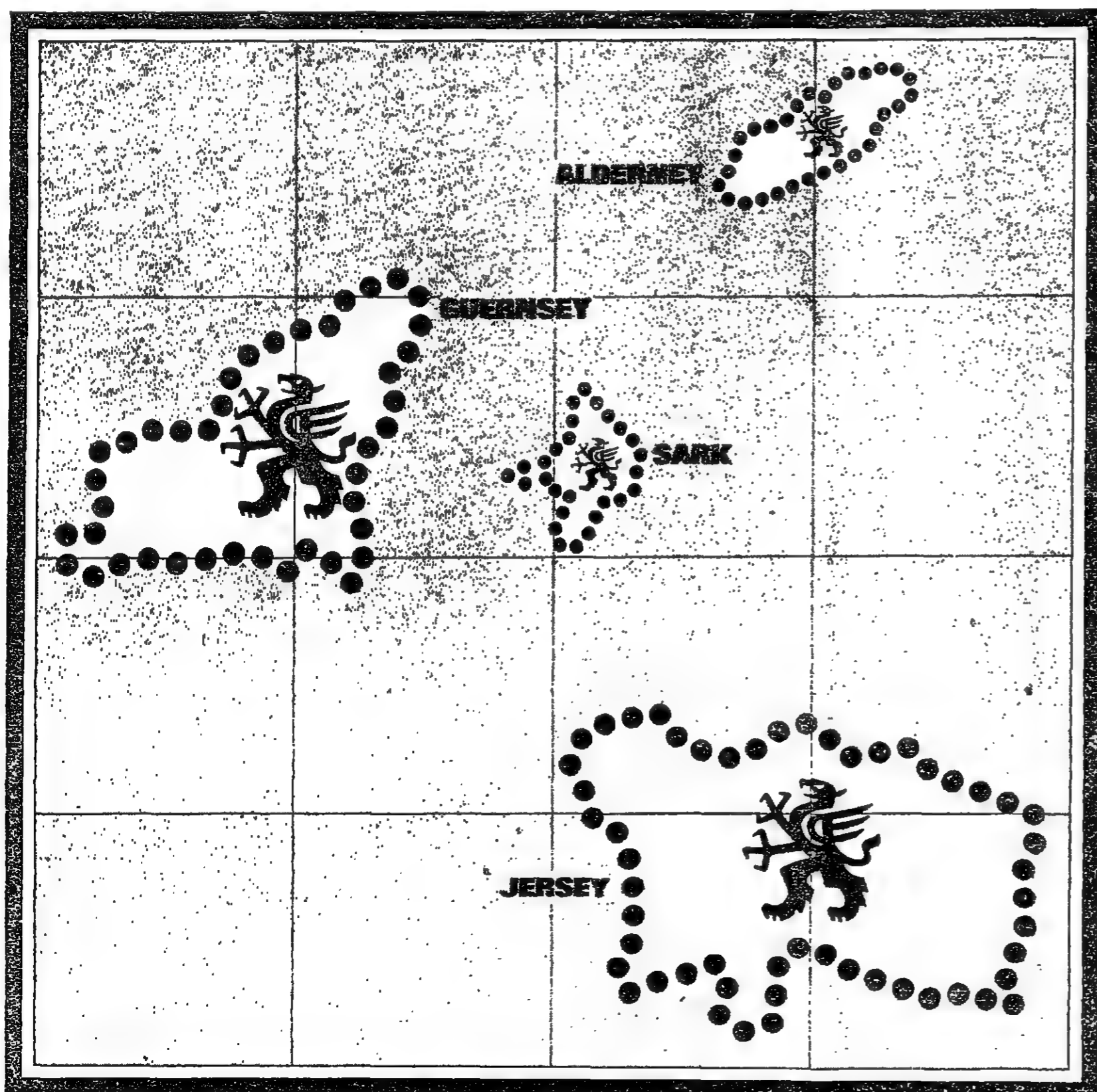
Now Guernsey has made clear that it is not asking the unions to do anything special—apart, if possible, from making one-year agreements—simply to continue to show good sense that has generally prevailed in the past.

The initial reaction from the TGWU has been that even this formula puts "too great an emphasis on wage control" and other safeguards are not other safeguards and benefits. In addition, there is a new and possibly enhanced proposition. This is that the island Government should seek the advice and assistance of our U.K. experts in formulating a policy acceptable to the greater majority of our wage earners.

It remains to be seen how far, if at all, the Guernsey authorities—or individual employers—will be ready to go along a path that virtually requires implementing in mainland union officials to help run local affairs.

Indeed, this could well be the most worrying aspect of local inflation for the islanders. As experience elsewhere has shown, inflation can be a source of redistributing not only wealth but also politico-economic power. It would be a strange and predictable situation if the shore islands ever found themselves having to negotiate with the U.K.-based unions over the future of their small capital economies. Ironically, their protection at present against this happening seems to be the success of Labour policies in the Channel.

Edward Owen



## Channel Island banking is taking on a Midland look

Midland Bank is very active in the Channel Islands. Eleven branches, no less, are at your service—whether you are a personal or business customer, resident or not.

Here are some of the areas in which Midland Bank Group may be able to help you: • Current accounts • Taxation advice • Eurocurrency facilities • Expansion capital • Competitive market rates for deposits • Nominee service • Investment and company management • Executor or trustee services.

For further information on Midland services in the Channel Islands, please contact one of the addresses listed below, or your local Midland manager.



**Midland Bank**

## Midland Bank Limited branches in the Channel Islands include:

**JERSEY**  
Manager: H. W. Hall  
8 Library Place  
St. Helier, Jersey C.I.  
Tel. Jersey Central 31396/9  
Telex Jersey 41622

Manager: D. W. Nicolle  
2 Hill Street St. Helier  
Jersey C.I.  
Tel. Jersey Central 20321  
Telex Jersey 41352

Manager: R. H. Pailot  
8 Quennevais Parade  
St. Brelade, Jersey C.I.  
Tel. Jersey Central 44226/9

Manager: D. Le Sueur  
13 High Street and 22  
St. Peter Street  
St. Peter, Guernsey C.I.  
Tel. Guernsey 24207/7  
Telex Guernsey 41617

Manager: D. Le Sueur  
Sub Manager: J. M. S. Terry  
La Heche, Sark C.I.  
Tel. Sark 80

Manager: D. Le Sueur  
Sub Manager: J. H. Cronshaw  
Victoria Street  
Alderney, C.I.  
Tel. Alderney 2293

## Midland Bank Group Companies include:

**Midland Bank Trust Corporation (Jersey) Limited**  
Director & General Manager: D. G. Foster  
Registered Office & Trust Division:  
2 Hill Street, St. Helier, Jersey C.I.  
Tel. Jersey Central 33591  
Telex Jersey 41353

Finance Division:  
6 New Street, St. Helier, Jersey C.I.  
Tel. Jersey Central 38281  
Telex Jersey 41398

Securities Division: 2 Hill Street  
St. Helier, Jersey C.I.  
Tel. Jersey Central 20321; Telex: 41393

**Midland Bank Trust Corporation (Guernsey) Limited**  
Director & General Manager: D. G. Foster  
Registered Office: 22 South Street  
St. Peter Port, Guernsey C.I.  
Tel. Guernsey 24208 or 23165 Telex: Guernsey 41617

Director & General Manager: D. G. Foster  
Registered Office: 22 South Street  
St. Peter Port, Guernsey C.I.  
Tel. Guernsey 24208 or 23165 Telex: Guernsey 41617

# POTATO FUTURES CRISIS

## The disillusionment of Maine growers

**BY A CORRESPONDENT**

much of the exceptional  
tivity in potato prices this  
year to political pronounes  
by Mr. Earl Butz, the Agri-  
culture Secretary. In an effort  
to demonstrate that the  
Administration has been  
farmers by keeping their prices  
high, he has reported short-  
ages in the potato market which  
growers claim, resulted in  
federal prices in the fu-  
ture market and excessive specu-

In addition the Commodity Futures Trading Commission was created 12 months ago, bringing some order to the market. Yet growers complain that only by as the Sam default

Those who want futures trading ended, which would get out from under Federal action, claim that potatoes are perishable and have a short shipping season than most farm produce traded.

## Britain heads for good cereal harvest

prospects for good yields  
vided there is adequate rain.  
Reuter reported from  
berra: The Australian Bureau  
Agricultural Economics has  
cast that world wheat prices  
be lower in 1976-77 than they  
the present crop year.

The Bureau said world wheat  
production is expected to  
about 380m. tonnes in 1976-  
rise of 30 per cent. Consumption  
is expected to rise largely  
to expanding population  
there is likely to be an increase  
in the use of wheat as animal  
feed, it added.

## Malaysia

**predicts rise in palm oil output**

**NAIROBI, June 10.** MALAYSIA EXPECTS palm production to increase from current level of 12m. tonnes around 2m. tonnes by 1980, Malaysian Ambassador to EEC and Belgium, Mr. Peter said here.

He told Reuters the increase would reflect maturing of trees planted over the past few years but this rate of increase would slow down as new plantations

Mr. Lai, who was in Kenya at the Unctad conference, said progress is being made towards setting-up buffer stocks

rationalsing production by Association of Natural Rubber Producing Countries (ANRPC). Such a buffer stock should be able to absorb 10 per cent of annual production.

supported. It was always the intention for the ANRPC to

## Argentina lifts animal fat export ban

BUENOS AIRES, June  
THE Argentine Ministry  
Economy has authorised exp

Export of these products has been banned since August 1975. The resolution authorizes exports of oleostearine, stearic acids, olein, stearic acid and other by-products.

## Sri Lanka Hit by te

## Packaging shortage

COLUMBO, June 10.—AN ACUTE shortage of chests and aluminium foil linings has resulted in large quantities of tea piling up on floors of factories or being packed in old gunny bags, reports AP-India Jones.

Planters complain that stocks are absorbing moisture and losing quality. They reject claims of the state-owned

One planter, in a letter to the Press, said: "In my own estate 33,000 pounds of tea are lying on the floor as there are no chests." On another estate, he added, there were 200,000 pounds of graded tea piled up ceiling high because of lack of packing

## Markets stay dull as sterling's plight continues

15.89; 15.58 15.81 17.34  
 9.27 9.47; 9.35; 8.17  
 6.963 6.372; 6.838 6.284  
 40.25 41.92; 48.48 70.25  
 7.214; 17.275; 16.387; 19.844  
 09. 1 p.m. 379.5  
 7.5  
 26.  
 max. (b)  $NJ=3.97$ .

	June	May
Gold		2
Gold-edged	173.5	182.4
Industrial	247.2	246.9
Speculative	75.0	62.5
Total	155.2	157.9
Gold-edged	182.4	182.4
Industrial	248.4	247.4
Speculative	65.5	60.2
Total	156.5	156.7

burg Platinum Mines. The companies' merger was completed before the end of 1997 and it is hoped to register the stock Exchange quotation by the end of the year. Tins were neglected by the market generally improved with the former premium. The tin gained 1.6

## ARM LOAN RATES CUT

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

50	OILS (4)	381.53	-0.5	11.22	4.30	10.51	9.54	179.68	179.00	184.54	190.46	202.00	195.54	201.14	431.66	87.43
51	500 SHARE INDEX	157.27	-0.9	14.09	8.86	10.17	9.97	169.87	170.67	174.73	177.18	182.21	184.00	187.72	427.33	85.49
52	FINANCIAL GROUP (100)	124.00	-2.8	—	6.00	—	—	129.05	127.20	130.82	133.21	143.82	136.46	123.00	241.41	50.88
53	Banks (8)	150.70	-2.7	20.55	8.62	7.49	7.49	154.88	155.95	158.13	162.54	166.50	192.16	190.70	238.32	62.44
54	Discount Houses (10)	182.73	-2.0	—	9.06	—	—	155.77	156.91	161.72	161.68	157.88	186.82	182.33	193.13	81.40
55	Hire Purchase (5)	92.98	-0.7	—	8.97	—	—	93.64	95.74	102.68	105.55	98.33	102.10	92.95	431.72	38.65
56	Insurance (Life) (8)	100.68	-3.2	—	7.09	—	—	104.01	106.14	110.40	112.88	116.20	129.56	100.69	194.46	44.86
57	Insurance (Composites) (7)	95.83	-2.4	—	7.32	—	—	98.17	99.90	102.99	104.20	117.69	117.75	95.76	435.76	43.82
58	Insurance Brokers (8)	248.01	-1.5	9.86	4.48	15.34	16.54	251.91	255.03	258.98	262.16	264.20	276.90	218.76	276.90	95.88
59	Merchant Banks (16)	72.31	-1.8	—	7.73	—	—	73.43	74.17	77.73	78.32	86.19	94.85	72.31	278.97	51.21
40	Property (32)	150.74	-1.5	8.48	8.36	51.13	51.88	152.96	152.17	158.10	161.30	200.65	194.97	150.74	567.40	56.01
41	Miscellaneous (6)	72.82	-0.3	18.03	7.76	8.89	8.69	72.74	75.68	78.06	78.73	72.30	91.98	72.82	153.15	35.26

FIXED INTEREST		Index	Yield	First May	Thurs. May 21	Wed. May 20	Tues. May 19	Mon. May 18	Fri. May 17	Thurs. May 16	Year ago approx.	High	Low	High	Low
1	Consols 2½% yield ...	—	14.10	14.18	14.18	13.97	13.77	13.87	13.86	13.56	14.62	—	—	—	—
2	20½% Govt. Stocks (61) ...	48.60	13.38	48.62	48.63	49.43	50.09	50.00	50.59	51.22	47.50	55.45	47.56	115.42	58.27
3	20½% Red. Deb. & Loans (15) ...	51.18	14.48	51.80	51.85	52.12	52.28	52.24	52.40	52.57	46.13	54.40	46.06	115.48	57.01
4	Investment Trust Pref. (15) ...	48.54	14.35	48.05	48.05	48.76	48.76	48.76	48.76	49.35	42.66	51.25	46.50	114.41	34.45
5	Consol. and Ind. Pref. (20) ...	55.86	14.62	55.58	55.83	56.07	56.20	56.32	56.99	57.15	59.01	71.97	52.76	114.36	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Share Indices is now available from the Publishers, the Financial Times, Bankers House, Cannon Street, London, E.C. 4B, price 10s. By post 20s.
Overseas Traders	31.12.72	100.00	Food Retailing	29.12.67	111.13	A record of the Indices, cost £20, is obtainable from FT Business Enterprises 10, Bath Court, London, E.C.4. It gives all groups and sub-sections indices at fortnightly intervals, with the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.
Engineering (Havy.)	31.12.71	123.34	Insurance Brokers	29.12.67	76.67	
Office Equipment (General)	31.12.72	151.70	Wholesale	29.12.67	100.00	
Times and Sports	1.1.70	133.76	All Other	1.8.62	100.00	
Games and Games	1.1.70	135.72				
Office Equipment	1.1.70	162.74				
Industrial Groups	31.12.70	121.20				
Financial Groups	31.12.70	128.90				
Excelsior Financial	31.12.70	128.90				
Food Manufacturing	29.12.67	111.13				

FT-Actuaries Indices are calculated by Eric Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A list of the constituents of the FT-Actuaries

101, 10110

	June 1	May 28	May 27	May 26	May 25	May 24	May 23
--	-----------	-----------	-----------	-----------	-----------	-----------	-----------

20	2 p.m.	371.5	3 p.m.	374.5	
21	10 a.m.	368.5	11 a.m.	369.5	
(a) Based on 5% Govt. sec. corporation rate.					(b) Mid-S.E.
Wants 100 Govt. Sec. 18-10-26, priced mid. 1925					Ind. Ord. 173.5
Mines 19 9 35 SE Activity June 20, 1925.					
HIGHS AND LOWS					S.E. ACTIVITY
	High	Low	Since Completion		June 1
	High	Low	High	Low	
Govt. Sec.	66.91	60.19	127.4	99.16	Daily- 173.6
	42.78	20.16	251.14	24.79	Gilt-logged- 247.8
Mixed Int.	64.44	59.75	150.9	30.55	Industrial- 75.0
	42.78	20.16	251.14	24.79	Speculative- 155.2
Ind. Ord.	43.04	37.80	99.9	10.00	2-day- 188.4
	43.04	37.80	15.72	26.70	1-day- 188.4
Gold Mines	246.9	21.10	442.3	43.5	Gilt-logged- 63.5
	140	c 4.6	70.70	26.70	Industrial- 15.6
					Speculative- 63.5
					Total- 155.6

**Gold's cheerful**

Hope of a favourable outcome to today's International Monetary Fund auction were reflected in the rises in shares of the metal's South African producers. They moved ahead from the outset in the wake of the higher bid price, which was finally \$1.25 better at \$127.625 per ounce.

Buying orders emanating from the Continent and the U.S. pushed prices sharply in early dealing, with a scanty supply being helped by the firmness of the investment dollar premium. Modest Cape sales had little effect on the market in which a shortage of stock was reported and further U.S. buying

Elsewhere, Tarn gained 1 year's high of 214; on further consideration of the Navan mine ahead.

**FARM LOAN RATES CUT**

THE Agricultural Mortgage Corporation has announced the rate of interest for its variable rate loans has been reduced from 14 per cent per cent. with effect from June 1, 1976. The rate for loans will be reviewed again December 1.

The lending rate of interest for new variable rate loans is planned on and after June 1 to be 13 per cent, but for

NEWSPAPERS '31	C. Hoare & Co. ....	10
PAPER & PRINTING '8)	Julian S. Hodge .....	12
PROPERTY '12)	Hongkong & Shanghai	10
SHIPPING '31	Industrial Bank of Scot.	10
SHOES '11)		11

## RATES

Guinness Mahon .....	10
Rambrook Bank .....	13
Hawlin & Partners ...	17
Hill Samuel .....	51
C. Hoare & Co. ....	10
Julian S. Hodge .....	12
Hongkong & Shanghai	10
Industrial Bank of Scot.	10

nomina-	No.	Closing	Chang
---------	-----	---------	-------

DECLARATION	DATE	PROJECT
Aug. 19	Sept. 1	Cement, Allied
Sept. 2	Sept. 14	and Newall,
Sept. 16	Sept. 28	ham and Warr
		English Projec
		ings, Grant
		Barratt Dycle
		Dunlop, Thors
		Burnah Oil
		lands, A. and
		Slater Walker,
		were arrange
		Cons. Gold Fie

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976:

**NEW FUNDS (389)**

- BRITISH FUNDS (6)**
- CANADIANS (11)**
- BANKS (75)**
- BEERS (3)**
- BUILDINGS (33)**
- CHEMICALS (4)**
- CINEMAS (1)**
- DRAPERY & STORES (20)**
- ELECTRICALS (15)**
- ENGINEERING (26)**
- FOODS (14)**
- HOTELS (5)**
- INDUSTRIALS (55)**
- INSURANCE (14)**
- MOTORS (2)**
- NEWSPAPERS (3)**
- PAPER & PRINTING (8)**
- PROPERTY (12)**
- SHIPPING (3)**
- SHOES (1)**

**OPTION DEALING DATES** Cement, Allied Retailers, Turner and Newall, Marchwiel, Cavan

[illegible]

	Up	Down	Sam
British Funds	0	18	41

**ly**

In the interbank market overnight loans opened at 9-8½ per cent. and touched 9½-10 per cent. before closing at 5-6 per cent.

Short-term fixed period interest rates were generally slightly

Discount	Treasury	Bank	Prime
market			

# WAGNER-MARKET

Bank of England Minimum	Friday, and Government dis-	In
Lending Rate 11 per cent.	counted on 10/11/1934	

Finance House Base Rates published by the Finance House Association in 1975  
 Current Rate for cash sums of over £100,000 will be 10% per cent.  
 will increase lender rate of discount to 50% per cent.

and increased capital per cent.  
from June 1, 1974. Clearing Bank  
for lending: 100-21 per cent Treasury  
Capital Cash Stock is 100-21  
Securities valued at middle market  
prices

## LC INDEX 01.051

## INSURANCE B

## RATES

.....

Capital Loan Stock Value

Capital Loan-Stock is  
Securities valued at middle  
prices -

100



14 Trinity Square  
London EC3N 4ES Tel: 01-480 6921  
Telex: 8853-16  
**a member of the Inchcape Group**

### HOTELS—Continued

[illegible]

Conversion factor 0.5723 (0.5782)

مقام الأصل



